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# Korean Affairs Report

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2 January 1986

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## INTER-KOREAN AFFAIRS

### NORTH REPORTERS' IMPRESSION OF SOUTH

#### First Impression Said 'Cool'

SK030402 Pyongyang Domestic Service in Korean 1300 GMT 2 Dec 85

[Text] Our reporters' group sent a news report from Seoul. The news is as follows: The first impression of Seoul is very depressed [mugobta] and cool [ssalssal hada].

Almost none of the people in the streets waved their hands or greeted us. This seemed to be a result of the fact that young men wearing neck-ties were controlling the pedestrians. The people were expressionless, even though the members of our delegation waved to them. In addition, strange pictures were hung everywhere.

Asked what the name "Amore" referred to, a member of the South side said: "Well, I guess it is the name of a brand of cosmetics. But I am not sure."

There were some slogans on the streets that incited us, as well as the resisting residents [hangohanun chumindulgwa katti].

#### Sights From Panmunjom to Seoul

SK031343 Pyongyang Domestic Service in Korean 1311 GMT 2 Dec 85

[Text] The following is a report sent by our reporters from Seoul:

Today, we departed for the South passing through Panmunjom. After a while, we could see the words "Unification Road" engraved in stone on the left side of the road. In response to our question, a member of the South side said that this road was named after the desire for reunification. They said that the "Unification Road" ends at the entrance of Seoul. This made us sink into deep contemplation.

How nice it would be if the engraved words truly reflected the desire for reunification. However, the past deeds and aspiration of the many members of the South side who have gone back and forth to dialogue have been quite contrary to our expectations.

We could see guns and the barrels of cannons still on the hillside and (?plains) along the roadside. The U.S. Stars and Stripes have been raised in villages. The monument marking the participation in the war of the South Korean and U.S. Marine Corps and the monument marking the participation in the war of Philippine troops have triumphantly [poranundusi] been erected.

One thing we could not understand was why the monument near the iron bridge of the Imjin River was covered by a waterproof bag. We asked why it was covered in this manner, hiding it from the people. The South side's member made the vague reply that this was because of the snow. We were able to see after closely looking at it that this area was a U.S. base, and we could clearly see the soldiers' barracks with the Stars and Stripes hoisted above them about 300 or 400 meters from the crossroads.

Judging from all this, is it appropriate to name this road the "Unification Road"?

#### Foreign Languages in Seoul

SK041237 Pyongyang Domestic Service in Korean 0849 GMT 3 Dec 85

[Article by correspondents in Seoul: "An Area Contaminated by Foreign Languages"]

[Text] As we were coming closer to Seoul after passing Paju, more and more foreign-language signboards came into view. There were almost no Korean-language signboards. Almost all signboards were written in foreign languages such as "restaurant," [word indistinct], "happy house," and so forth.

When we entered the Kangdong-ku area, the situation was even worse. An area of less than 10 meters was packed with about 20 or 30 foreign-language signboards. We asked one of the guides of the South side why there were so many foreign-language signboards in South Korea. He avoided giving a direct answer, apparently lacking confidence.

Not only signboards but almost all names of goods were in foreign languages. In the guest rooms of the Sheraton Hotel where we would stay, there were foodstuffs and liquors with names in foreign language such as ("rogopauchi"), ("rozinski"), and ("simpo"). It was difficult to find goods with Korean names. Everything which came into our view was in English or Japanese. We felt as if we were in the United States or Japan.

This fact alone was adequate enough to make us realize the situation of the South Korean society where the Western and Japanese styles are dominant and the spirit of the nation is trampled by outside forces.

/9599

CSO: 4110/026

## INTER-KOREAN AFFAIRS

### DPRK TALK ON S. KOREAN CONVERSATIONS WITH NORTH REPORTERS

SK141000 Pyongyang Domestic Service in Korean 0825 GMT 7 Dec 85

[Unattributed talk: "The South Korean People Are Saying Such Things"]

[Text] Despite the South side's hindering maneuvers of all kinds, the group of our reporters who went to Seoul to cover the 10th round of the North-South Red Cross talks managed to meet with a large number of the South Korean people during their stay there.

Although our talk with the ordinary South Korean people lasted a couple of seconds at one time or a few minutes at another, they were always heartwarming and meetings replete with compatriotic love.

Dodging the watchful eyes of the South side's agents assigned to keep tabs on the people, the South Korean people managed to greet us with nods or warm smiles. Some also wholeheartedly wished us success at the talks. In such a manner they told us that since the proposals put forward by the North side are just, the South side should accept them, and stressed that national reunification should be achieved at an early date after putting an end to interference from the outside.

A religious personage in his late seventies, whom we met at the hotel, said in his conversation with us: South Korean religious people consider of the North-South Red Cross talks very positively.

We think the proposal on free travel put forward by the North side a very good proposal. In order to alleviate the sufferings of the families separated in the North and South, free travel must be realized. We hope that the proposal on free travel put forward by the North side will be realized.

A subway employee we met at a subway station in Seoul noted: Every one of you who came from the North is open-hearted, man of high stature, and well-intentioned, without exception. To date, we have only known that the communists are the ones to fear. Now I find you quite different from those we imagined. Your presence causes us to think things. We did not know very many things about the North. I am sorry. He grabbed our reporters' hands firmly and shook them.

A woman who said she had come from Kwangju, Kyonggi Province, whom we met during our tour of the subway in Seoul said, after hearing about Pyongyang subway: It is indeed wonderful that you have such a wonderful subway in Pyongyang. I hope that free travel would be realized at an early date so that I can ride the Pyongyang subway. How wonderful would it be if we could go sightseeing on Mt. Mumgang.

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CSO: 4110/030

## INTER-KOREAN AFFAIRS

### SOUTH HINDERS REPORTERS' NEWS GATHERING ACTIVITIES

SK041249 Pyongyang Domestic Service in Korean 0846 GMT 3 Dec 85

[Unattributed talk: "Why Do They Block Us?"]

[Text] Our press corps accompanying the Red Cross delegation of our side has been barred from free news gathering activities from the moment it arrived in Seoul because of the limitation to news gathering activities and because of the control which defies common sense.

This time, the South side has assigned two or three men wearing guide insignia to each of the 50 reporters of our side, thus blocking their news gathering activities and committing rude acts against them.

After arriving in Seoul, several reporters of our side were proceeding along in an area about 600 meters from the Sheraton Hotel at around 1600 on 2 December in order to visit with some Seoul citizens in their houses. At this time, six men, who claimed to be guides of the South side, blocked our reporters. Undisguisedly, blocking their new gathering activities, they said: There is nothing to see. You are not allowed to go there.

Almost at the same time, a photographer of our press corps was trying to take pictures of the Han River areas on the road in front of the Sheraton Hotel. A man, who claimed to be a guide of the South side, blocked the lens of our photographer's camera and pushed him away. During this encounter, our photographer barely escaped falling into the Han River.

The rude acts of the South side are becoming even more exasperating as time passes. Before such acts of the South side as blocking the free news gathering activities of the reporters, we doubt if the South side really desires to relieve the agony of the separated family members and relatives and to realize their free mutual visits. The impolite and rude acts of the South side can only be regarded as a cowardly act of those who fear having the real situation of the dark fascist society exposed.

This being the treatment of our reporters visiting Seoul for gathering news on the Red Cross talks, the intensity of the oppression of the South Korean people is crystal clear.

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CSO: 4110/026

INTER-KOREAN AFFAIRS

RADIO TERMS SOUTH'S FOREIGN DEBT 'TIME BOMB'

SK041313 Pyongyang Domestic Service in Korean 1323 GMT 3 Dec 85

[Article by reporters' group in Seoul: "In the Midst of International Debt"]

[Text] Engaging a member of the South side in conversation at the Sheraton Hotel, we asked him: South Korea now has debts to foreign countries totaling \$51.4 billion, what do you think of this?

After a long pause, he said: That we are deeply in debt is true, but we are capable of paying it back.

So, we asked him: Why then did the IMF have to warn against investments in South Korea.

He kept his mouth shut, perhaps because he had no words to explain why.

One of the most serious questions facing South Korea today is that it is deeply in debt to foreign countries and that it finds it very hard to pay back the principal and interest. Because of the South Korean authorities' maneuver to introduce foreign capital, which has been recklessly pushed ahead without taking into consideration its ability to pay back the principal and interest, the foreign debt of South Korea is rising so high that it has no ceiling.

The amount of South Korea's foreign debt has rapidly increased over the past 5 years. As a result, South Korea has become one of the capitalist countries that owes the largest amount in foreign debts. It has become a place that is heavily burdened with international debt where every child becomes deeply indebted to foreign countries, to the tune of \$1,200, as soon as he is born.

The amount of foreign debt that every South Korean has to shoulder is the largest in the world. The unprecedented swelling of the foreign debt and the payment of a vast amount of principal and interest in proportion to the amount owed to foreign countries is what is choking the South Korean economy today.

We recall an article published in a Japanese magazine sometime ago which said that the present South Korean regime is sitting on a time bomb, called the accumulated debt, and nobody knows when it will blow up.

South Korea's foreign debt has become a truly serious problem.

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CSO: 4110/026

## INTER-KOREAN AFFAIRS

### ROK DAILY HOPES FAMILY REUNION TO MATERIALIZE SOON

SK040101 Seoul THE KOREA HERALD in English 4 Dec 85 p 4

[Editorial: "10th Red Cross Talks"]

[Text] Three months ago, South and North Korea exchanged hometown visitors and art troupes across the DMZ, the first such in four decades of the peninsula's division. Truly, it was an event of great national festivity for many reasons.

Besides the emotional implications involving the reunion of the dispersed families, the exchange was the first tangible achievement ever produced through mutual agreement between the divided halves of the peninsula. The Inter-Korean Red Cross talks, in that sense, are credited with having brought about such a remarkable result.

Naturally, we are apt to expect so much from the Red Cross talks. This also leads us to be anxious to see that no hitch occurs to hinder the progress of the talks.

Currently, the 10th full-dress Red Cross talks are being held in Seoul. We are eager to see the parley produce another step forward in solving humanitarian problems resulting from the territorial division. We are not inclined to expect gigantic achievements, however, but another solid move that can make the Red Cross contact move toward its eventual goals.

At yesterday's first session of the two-day Red Cross talks, the Seoul side proposed that hometown visiting groups of dispersed families be exchanged again on the occasion of lunar New Year's Day, which falls on 9 February. Considering the traditional significance the lunar holiday bears for the Korean people--the day for family reunion and paying homage to ancestors--the proposal deserves affirmative response from North Korea.

Reunion of dispersed families bears a unique meaning for the Korean people because of the homogeneity that has bound them to the same cultural background. Such must be upheld regardless of ideological or other differences unless either side of the peninsula disassociates itself from the tradition. Expanding the opportunities for more Koreans to visit [word



indistinct] will prove one of the surest ways [word indistinct] distrust accumulated between the divided halves.

At the same time, now is the time for both sides of the Red Cross talks to take into motion what in previous meetings they have already agreed upon--the so-called five agenda topics, for example. It is logical for the two sides to help the dispersed families exchange letters following their reunion. Therefore, the southern delegation did well to propose a working-level contact to realize that postal exchange.

What we must keep certain at this juncture is that the Red Cross talks, intended for genuine humanitarian problems, be shy of any political maneuverings. Progress in that humanity-oriented contact will eventually pave the way for reconciling the divided halves in other fields. To this end, the Red Cross talks should have practical, steady approach.

/12913

CSO: 4100/45

## INTER-KOREAN AFFAIRS

### RED CROSS SPOKESMAN HOLDS PRESS CONFERENCE

SK031024 Seoul YONHAP in English 0815 GMT 3 Dec 85

[Text] Seoul, 3 December (OANA-YONHAP)--The spokesman for South Korea's delegation to the 10th Inter-Korean Red Cross talks said Tuesday that Pyongyang's proposals did not include the matters of establishing a joint Red Cross committee or a Panmunjom project office to implement the reunion projects.

In a press conference following the first round of the two-day talks, being held at the Sheraton Hotel here, Song Yong-tae, the spokesman, said that North Korea's proposals to exchange visits by friends of dispersed family members and to exchange mail were "uncommon."

North Korea insisted at the 20th preliminary Inter-Korean Red Cross meeting, held in 1972, that visits by friends be included on the agenda of the Red Cross talks, but withdrew that demand later in the year.

Regarding Pyongyang's repeated demand that conference delegates travel via airplane, Song said that no inconveniencies have resulted from travel over land routes during any of the 10 full-dress Red Cross talks.

Red Cross officials should be more interested in easing the pains of dispersed families, which is the basic purpose of the Red Cross talks, than in their own convenience, he said.

North Korea's spokesman, Pak Yong-su, said that Pyongyang's proposals concerning the draft agreement on free travel were "very reasonable, realistic and feasible."

He repeated Pyongyang's proposal that Red Cross delegations travel between the two halves of the peninsula via plane.

Pak said that the use of airplanes would greatly contribute to improving Inter-Korean relations.

/12913

CSO: 4100/45

INTER-KOREAN AFFAIRS

NEPAL CONSIDERING CLOSING DOWN NORTH KOREAN EMBASSY

SK140048 Seoul THE KOREA HERALD in English 14 Dec 85 p 1

[Text] Bangkok (YONHAP)--The Nepalese Government is reviewing the *raison d'etre* for the North Korean Embassy in Katmandu on the evidence that the embassy has been involved in smuggling and terrorism, while giving no benefit to the host country, the ARATI, an influential newsweekly, reported recently.

The latest issue of the magazine, which was available here Thursday, said the Katmandu government was making much account of smuggling and supporting terrorism by the North Koreans, and was tightening its watch over them, adding such acts were a suggestion that the government would sooner or later take some action against the North Korean Embassy, whose presence has been found unprofitable for the Nepalese national interest.

The North Korean Embassy's staff, diplomatically doing little, have been caught smuggling wristwatches, gold ingots, electronic calculators, and video cassette recorders into Nepal by customs officers, the magazine said. Nepalese customs also has evidence that the embassy is sending drugs, hidden in its dispatch bags, to North Korea and Hong Kong, the weekly added.

The ARATI also said that North Koreans might have been connected with a string of terrorist bombings that had taken place in Katmandu and other cities on June 20, killing a parliamentarian and five other persons. It further noted that North Korean special agents have committed arbitrary terrorism in many countries.

Among countries whose embassies are closely watched by the Nepalese authorities, besides North Korea, are East Germany, Egypt and Burma, the weekly said.

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CSO: 4100/53

INTER-KOREAN AFFAIRS

JSP TO CONTINUE TO ADOPT POLICY SUPPORTING NORTH

SK120116 Seoul THE KOREA HERALD in English 12 Dec 85 p 1

[Text] Tokyo (YONHAP)--The Japan Socialist Party will seek the withdrawal of U.S. troops from the Korean Peninsula, and oppose the support for the Seoul government, including military assistance as well as military alliance among Korea, Japan and the United States, it was learned Wednesday.

[word indistinct] draft policy guideline on Korea for 1986, which is expected to be formally adopted without change in the annual party congress opening next Monday, also says the party will support North Korean-proposed trilateral talks and South-North parliamentarians' meeting, and the North Korea's unification policy in order to "help ease tension on the Korean peninsula."

Furthermore, it calls for stronger alliance with what it calls democratic forces in Korea struggling for democratic and independent unification, saying the party will seek the fundamental revision of Japan's ruling Liberal Democratic Party's policy on Korea.

In particular, the guideline urges the party, to support anti-Seoul Koreans residing in Japan and develop a struggle in alliance with the so-called democratic forces in Seoul, hoping for brisk exchanges with them.

It also says the party will press for improved relations between North Korea and Japan, develop its ties with the North Korean Workers Party, and try to realize visits to Japan through a delegation representing the North Korean ruling party or its equivalent.

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CSO: 4100/53

## INTER-KOREAN AFFAIRS

### NODONG SINMUN DENOUNCES SEOUL VISIT BY REVEREND MUN

SK141216 Pyongyang Domestic Service in Korean 2150 GMT 12 Dec 85

[NODONG SINMUN 13 December commentary: "The Dark Schemes of a Junket by an Anticommunist Trickster From Abroad"]

[Text] According to reports, Mun Son-myong, ringleader of the Unification Church--a notorious organization for anticommunist intrigue--snuck into Seoul on 10 December. This fellow is said to supervise an anticommunist farce called the International Meeting of Victors Over Communism, scheduled to be held in Seoul on 16 December.

Mun Son-myong, wearing the mask of a Korean, is a vicious pro-U.S., anticommunist fanatic; a political trickster; and a dirty guy. As a special agent of the U.S. CIA and the puppet Agency for National Security Planning, this guy has established Unification Church organizations and anticommunist training centers in numerous countries of the world, including the United States and Japan; is training Unification Church members into anticommunist fanatics and fanatics for a victory over communism in these institutions; is spreading the poisonous idea of respecting and fearing the United States through various publications, and is making it a business to viciously slander the socialist countries through various publications. In a conspiracy with Japanese rightwing hooligans, this guy is also frantically maneuvering against the Republic and against Chongnyon, including making it his business to attack or terrorize various Chongnyon organizations and officials. Moreover, by reaching his wicked hand toward the Third World countries under the signboard of charity, he is playing a part in creating dissension between these countries and in opening a way for the aggression of the U.S. imperialists and the South Korean puppets against these countries.

In company with some 200 anticommunists, including U.S. congressmen and high-ranking officers of the Japan Self-Defense Force, this guy, who regards anticommunism as a lifelong task, snuck into Seoul at a time when the people's desire for reunification is growing because the South Korean people are waging unprecedentedly violent anti-U.S. and antifascist struggles and because a multifaceted dialogue is being held between the North and South. This cannot be overlooked. All facts prove that Mun Son-myong's trip to Seoul was arranged as a result of the criminal intrigues of the U.S. imperialists and the South Korean puppets to divert the attention of the South Korean people

elsewhere to throw a cold blanket over the growing desire of the nation for reunification; and to further inspire antagonism and confrontation within the nation by bringing the anticommunist confrontation maneuvers to redoubled intensity through the so-called International Meeting of Victors Over Communism.

The U.S. imperialists and the Chon Tu-hwan ring are attempting to obliterate the South Korean people's anti-U.S. sentiment for independence and to [words indistinct] by having Mun Son-myong spread the poisonous idea of respecting and fearing the United States and to loudly drum up an anticommunist confrontation after dragging him to South Korea.

Another purpose of the U.S. imperialists and the Chon Tu-hwan ring in arranging this puppet political broker's junket to South Korea is to hold a confab on dispatching a larger number of South Korean puppet troops to the anti-Nicaraguan front. It was also exposed that with the support of Singlaub, chairman of the World Anticommunist League, and the Unification Church, the South Korean puppets organized a commando unit from the reserve forces of South Korean puppet forces who had been driven to the Vietnamese battlefield, and sent them to the Somoza remnants. It is also no secret that the puppets supply weapons of destruction and funds to the counterrevolutionary forces of Nicaragua through the Unification Church. It is clear to everyone that the Chon Tu-hwan ring will hold a secret confab with Mun Son-myong on businesslike matters for supplying a greater quantity of cannonfodder to its U.S. imperialist master, who is desperately kicking up armed intervention maneuvers against the Nicaraguan people.

The puppets' acts show that they hope to get promoted as a colonial lackey in reward for supplying South Korean young and middle-aged men to their U.S. imperialist master and thereby gratify their desire for long-term office. What is deplorable is the fact that the Chon Tu-hwan ring in its anticommunist confrontation racket even uses such human rubbish as Mun Son-myong, who had been in jail for nearly a year in the United States. This shows that the Chon Tu-hwan ring is at the end of its rope. The garbage heap of history is the only place where such ugly persons as the Chon Tu-hwan ring and Mun Son-myong, who have turned against the times and the nation, are bound to go.

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CSO: 4110/030

## INTER-KOREAN AFFAIRS

### DPRK REPORTER CRITICIZES SMELLY SEOUL SUBWAY SYSTEM

SK080058 Pyongyang Domestic Service in Korean 0827 GMT 5 Dec 85

[Unattributed talk from the "New Report From Seoul" program: "Seoul Subway Is Filled With Tragedy"]

[Text] On the afternoon of 4 December, members of our side's Red Cross delegation who are staying in Seoul toured the Seoul subway. The South side organized so many guides, reporters, and other persons in the subway that it looked like a market place.

We toured a few stations, riding in an electric train to the Yongdong subway station. We, who are accustomed to the grand and splendid subway in Pyongyang, cannot be satisfied with the Seoul subway. What we felt as soon as we entered the subway station was a repulsive smell. We know that Seoul is polluted so severely that one's head aches and eyes burn even in one's home. We thought that the underground would be better. But it was more serious.

The subway stations are not spacious but are small. The ceilings are low and decorations on the walls are crude. The electric train shook severely. The people of the South side were engrossed with propaganda that the Seoul subway is good. We thought that they were like "a big frog in a little pond."

From the beginning of its construction the subway had many behind-the-scenes stories. The construction was carried out by foreign loans, placing a great foreign debt burden onto the South Korean people. South Korea's foreign loans amounts to \$51.2 billion, and a great part of this has been allocated to subway construction.

Asked if the principal and interest for the foreign loans have been paid, a South Korean personage concerned replied that South Korea's payments are still ongoing.

We knew that there were many tragic accidents at the subway construction sites. According to a South Korean reporter, in building every subway line, two or three large-scale cave-in accidents occurred, creating a sensation throughout South Korea. Thus, many people lost their lives. It was not accidental that a repulsive smell came from the subway station.

South Korean reporters told us other behind-the-scenes stories with regard to the subway. The subway was constructed after lightly excavating the sites. Therefore, whenever electric trains pass, the ground shakes so severely that people wonder whether this is an earthquake. They said that the ground shakes so severely that buildings above ground cracked, causing troubles. This is what the Seoul subway is.

We came to cherish greater pride in our subway, which is called underground Pyongyang.

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CSO: 4110/030



## INTER-KOREAN AFFAIRS

### BRIEFS

CHON CALLS FOR STABILITY--Seoul, 28 November (YONHAP)--South Korean President Chon Tu-Hwan said Thursday the removal of the causes of war on the Korean peninsula in the next three to four years is a prerequisite for the peaceful reunification of Korea. In a luncheon he hosted at Chongwadae, the presidential residence, for members of the Peaceful Unification Policy Advisory Council, Chon said military experts here agree that the next three to four years will be the most dangerous period on the peninsula, from a military standpoint. The solidification of stability and reconciliation in Korea is a shortcut to preventing the recurrence of war and to achieving the eventual peaceful unification of the peninsula, he said. Seoul and Pyongyang have made brisk contacts this year, including the first exchange of civilian groups in 40 years, Chon said. The president chairs the council, established in 1981 to advise the president on the formulation of peaceful unification policy. It comprises more than 7,000 representatives from various walks of life. [Text] [Seoul YONHAP in English 0930 GMT 28 Nov 85 SK] /12913

PRESENT POLICY MAINTAINED--The Japan Socialist Party reaffirmed Friday that it will maintain its present policy on the Korean peninsula in a position paper for 1986. The position paper called for endorsement of North Korea's three-way meeting proposal involving the United States and South and North Korea, and strengthened cooperation with North Korea's Workers Party. It also calls for consolidated coalition and exchanges with what it calls "democratic forces" in South Korea. The guideline, approved Thursday by the party's Central Executive Committee and to be adopted by the party congress starting 16 December, says: "The Japan Socialist Party will support an independent, peaceful unification of Korean peninsula, the trilateral meeting and progress in the Inter-Korean dialogue." It also says: "The party will continue its friendly relationship with the North Korean Workers Party and at the same time work to materialize coalition with South Korea forces that wish for peaceful reunification and restoration of democracy in an effort to contribute to easing tension on the Korean peninsula." In a reference to the situation on the Korean peninsula, it echoes North Korea's distorted allegation that tension remains on the peninsula due to such factors as the conduct of the "Team Spirit-85" military exercise. [Text] [Seoul THE KOREA HERALDS in English 24 Nov 85 p 1 SK] /12913

CSO: 4100/45

## OLYMPIC GAMES

### FORMAL SIGNING OF OLYMPIC TV RIGHTS CONTRACT POSTPONED

SK100401 Seoul YONHAP in English 0303 GMT 10 Dec 85

[Text] Seoul, Dec. 10 (OANA-YONHAP)--The formal signing of an Olympic TV rights contract, which the Seoul Olympic Organizing Committee (SLOOC) and the National Broadcasting Co. of the United States initialed last October, has been postponed, a senior SLOOC official said Tuesday.

Yi Yong-ho, chairman of the SLOOC's Executive Committee, said that although the SLOOC and NBC were scheduled to sign the formal contrast last Friday in Lausanne, Switzerland, they are not likely to sign the agreement until the end of this year or early 1986 because of a dispute between the two sides.

Yi returned to Seoul Monday from Lausanne, where he held talks with NBC officials.

The bone of contention is the U.S. network's demand that, if the 1988 Seoul Olympics are cancelled for any reason, the SLOOC pay compensation not only for the contract amount but for other expenses incurred by NBC in preparation for broadcasting the games.

The SLOOC opposes NBC's demand on the grounds that such a demand is unprecedented in the history of broadcasting contracts for Olympic coverage.

NBC won the exclusive right to relay coverage of the Seoul Olympics to the United States, signing an initial contract worth between 300 million and 500 million U.S. dollars. The contract is based on a risk-sharing formula that varies the amount to be paid to the SLOOC, according to the gross sale of television time to advertisers during the Seoul games.

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CSO: 4100/49

## OLYMPIC GAMES

### SOCIALIST COUNTRIES COOL TO DPRK OLYMPIC PLAN

OW291009 Tokyo KYODO in English 0947 GMT 29 Nov 85

[Text] Tokyo, 29 Nov (KYODO)--Sports ministers of socialist countries gave a North Korean proposal to co-host the 1988 Seoul Olympic Games with South Korea a cool reception at a recent meeting, diplomatic sources in Tokyo disclosed Friday.

The sources said only Cuba supported the North Korean proposal at the meeting held in Hanoi 13-15 November with 13 socialist countries, including the Soviet Union, Vietnam and North Korea in attendance. China was not represented at the meeting.

East Germany and Poland criticized the proposal and were displeased that it was made at this time, with the olympics 3 years off, the sources said.

North Korea prepared a draft resolution to be adopted at the meeting to back up the proposal but it failed to gain approval.

However, a press communique issued after the meeting expressed general support for the proposal out of courtesy, they said.

They said the socialist countries were critical of attempts to get them to act in concert in connection with the Seoul olympic problem and most of them contended each country should make its own decision on whether it will enter the olympics.

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CSO: 4100/46

S. KOREA/POLITICS AND GOVERNMENT

NKDP HOLDS CAUCUS ON CONSTITUTION REVISION

SK030132 Seoul THE KOREA TIMES in English 3 Dec 85 p 1

[Text] The New Korea Democratic Party convened a caucus at around 6 am Sunday after futile overnight negotiations with the ruling camp.

In the closed-door meeting held at the main chamber of the Assembly some 20 lawmakers debated for about an hour over whether they should accept the DJP proposal to establish a "constitution research committee." Some lawmakers opted for acceptance of the ruling party offer, while others opposed it, saying that such a committee had nothing to do with constitutional revision.

As the debate faltered, producing no unified stance, floor leader Kim Tong-yong hurriedly put an end to the meeting, saying "now fighting is the only choice."

Party President Yi Min-u said to lawmakers at last: "If you think that we can earn nothing by accepting the ruling party offer, I hope you will fight against it under the leadership of the floor leader."

"Now begins our struggle for constitutional revision," Yi proclaimed, returning the opposition party to its original tough posture.

At 7:02 am, floor leader Kim left for the National Assembly speaker's office to convey the NDP's decision, while other lawmakers departed for Room 146 on the first floor of the House building, where the ruling party members were learned to have gathered.

Members of the ruling Democratic Justice Party began to come to Room 146 upon a notice of caucus from the key post-holders at around 6:15 am Sunday. By 6:25 am, more than 100 lawmakers had entered the room. Floor leader Yi Se-ki told officials from the DJP secretariat to lock all the doors.

Chin Chae-hun, director-general for parliamentary proceedings at the National Assembly, and a stenographer were seen seated together with the DJP lawmakers at around 6:48 am.

DJP Chairman No Tae-u and party adviser Kwon Il-hyon were among the last arrivals at around 6:38 am. By that time all the five wooden doors were locked and tables and chairs were set up as barricades at the two doors leading to underground passes.

At around 6:42 am, floor leader Yi stood at the podium. "We have tried our best to be patient, but it is getting difficult for us to put up with," he said. He concluded that his party would wait for the final decision of the NDP, which was then holding a caucus. "If the outcome is not positive, we will have to make our own decision," he said.

Around 7 am, key party post-holders gathered around Chairman No. From outside, shouts were heard urging "Unlock the door! What are you doing?"

About 5 minutes later, Rep Kim Chong-ho, chairman of the Budget Settlement Committee, suddenly took to the podium and announced the opening of a committee session.

He asked if there was any objection to the submitted budget bill, but "no" was the only answer from the audience. He pronounced the passing of the bill and declared the break-up of the meeting. All this happened in a blink of time.

Vice House Speaker Che Yong-chol took the podium following Kim. He convened a plenary session of the House, passed a package of eight bills and announced the closure of the meeting.

One hundred and forty-five DJP lawmakers were present at the meeting. National Assembly Speaker Yi Chae-hyong and Reps Chin Ui-chong and Yi Yong-hun were absent.

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CSO: 4100/46

S. KOREA/POLITICS AND GOVERNMENT

DAILY CALLS FOR RESTORATION OF FAITH AMONG PARTIES

SK030157 Seoul THE KOREA TIMES in English 3 Dec 85 p 4

[Editorial: "Restoration of Political Faith"]

[Text] What had been feared has regrettably come true at the National Assembly--the breakdown of an 11th-hour negotiation between rivalling political parties and the unilateral passage of the national budget bill for next year by the ruling party at a chamber other than the main floor reserved for plenary session, which was occupied by opposition lawmakers.

With the passage of the budget program along with seven related bills in such an extraordinary manner, the first regular session of the current Assembly has left an indelible stain--in fact, the worst government-opposition confrontation since the Fifth Republic was established about 5 years ago with a motto of introducing a political renovation.

Now the public concern is focused on the future path of the parliamentary function and, for that matter, the nation's political theater which is inevitably torn by antoagonism between the rival parties, especially repercussion by the opposition camp which has already indicated to resort to "extra-parliamentary tactics" in its avowed drive for a constitutional amendment.

Looking back the past few weeks which featured a sequence of irregular parliamentary proceedings over the entanglement of the government-proposed budget bill and the opposition demand for paving the way for revising the Constitution, the ruling Democratic Justice Party seemed to have been more or less straitjacketed in dealing with the opposition New Korea Democratic Party, which in turn was overly obsessed by its commitment to the constitutional issue.

Thus victimized was the all-important legislative deliberation of the budget bill and herds of other pressing issues of national concern, ranging from the worsening unemployment and foreign debt problems to the mounting trade friction with the United States.

On the other hand, noteworthy was a last-minute proposal by the ruling party to form a "constitution research committee," partly reflecting the persistent opposition demand in its efforts to forge a breakthrough in the parliamentary impasse.

Though it was spurned by the opposition party under the influence of intransigents, such a flexibility on the part of the government party is hoped to be kept up in resolving the outstanding political antagonism. In this connection, the opposition party is advised to refrain from attempting to take any unparliamentary steps, which would only undermine the nation's sociopolitical stability to frustrate the people.

Acutely needed at this juncture is the restoration of political faith between the rival parties so as to better meet with the surging national issues, both internal and external. Accordingly, the politicians at large are again urged upon to keep composure and to be engaged in renewed dialogue for mutual accommodation, serving the people's welfare and the national interests.

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CSO: 4100/46

S. KOREA/POLITICS AND GOVERNMENT

EDITORIAL URGES RATIONAL ACTIONS BY POLITICAL PARTIES

SK010017 Seoul THE KOREA TIMES in English 1 Dec 85 p 4

[Editorial: "Need for Political Rationality"]

[Text] It is deplorable and indeed worrisome to witness a sequence of irregular proceedings at the National Assembly, which has come to highlight blitz tactics employed by the ruling party in unilaterally disposing of matters related to the national budget bill for next year, as well as the occupation of parliamentary chambers by opposition lawmakers.

The situation is so precarious and ominous that all politicians, regardless of their political affiliations, should now deeply reflect on the harsh consequences of such an acute partisan confrontation, the worst since the Fifth Republic was inaugurated less than 5 years ago, instead of developing arguments about who should be blamed for the clash.

What has taken place in the parliament through last week was nothing but a revival of unwholesome political tricks and infighting prevalent under the "old order"--to the disappointment of the people, who elected the incumbent legislature only last February in general elections.

Furthermore, the latest development at the Assembly prompts apprehensions about its probable impact on national politics in coming days, in light of the uncertainty or unpredictability that presently grips the political arena.

Dominating the Assembly's current regular session from its outset have been the government-proposed budget bill and the opposition drive for a constitutional amendment in favor of the direct popular election of the nation's president.

As the two main issues have become linked with each other, a tug of war between the rival political camps had been more or less anticipated, particularly due to the sensitive and divisive nature of the opposition demand for rewriting the Constitution.



In this connection, both the government and opposition camps have been repeatedly called upon to engage in meaningful dialogue and to work out mutually agreeable compromises, an approach that is essential not only in averting a lamentable political confrontation but also in confronting piles of other pressing issues, both internal and external.

Most regrettably, that advice and popular wish has not been met by politicians of the rival parties, who have been engrossed in pursuing their respective partisan strategies, in the absence of problem-solving capacity.

Herewith, we again urge them to cool down and return to reason, before it proves to be too late, so as to tide over the present political entanglement in a rational manner. A prolonged confrontation would serve neither party, resulting in undermining the nation's sociopolitical stability and even its economic performance at this critical juncture.

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CSO: 4100/46

S. KOREA/POLITICS AND GOVERNMENT

LAW AMENDMENT TO AID IN INDUSTRIAL RATIONALIZATION:

SK010024 Seoul THE KOREA TIMES in English 1 Dec 85 p 2

[Article by Sun Chae-hun]

[Text] The passage of the amendment to the Law on the Regulation of Tax Reduction and Exemption in the Finance Committee of the National Assembly Friday will enable the government to set out for rationalization of the nation's industrial structure full-fledgedly in the days to come.

The amendment to the law worked out by the Finance Ministry was primarily aimed at paving the way for absorbing or arranging insolvent and non-profitable enterprises through the reduction or exemption of various taxes that have to be paid in the course of due transactions.

The arrangement of insolvent enterprises is seen as one of the most urgent national tasks, with a view to strengthening the international competitiveness of the nation's industries, according to the ministry.

Most of the insolvent businesses have come in to being during the last decade, usually characterized as an era of high economic growth and high inflation, leaving room for tycoon business enterprises to expand at random.

However, there has been rough sailing in the course of seeing the passage of the amendment to the law in the pertinent standing committee of the National Assembly. Opposition parties were opposed to it, saying the study of measures to prevent the recurrence should precede revision of the tax law.

The kind of businesses most seriously depressed include overseas construction, shipping and textiles that failed to accommodate to the everchanging international economic flow, thus losing their competitiveness in the international market.

With the passage of the amendment, the government can be said to have been fully equipped with the tax and monetary weapons necessary for rationalization of the nation's industrial structure through the arrangement of insolvent enterprises.

According to the main contents of the amendment to the law, to be effective from 1 January, insolvent enterprises when they sell their real estate will be exempted from corporate tax and tax on profits upon the alienation while allowing the purchasers of the business the privilege of being exempted from the liability of paying taxes related to the former owners.

The amendment also paved the way for the owners of twilight businesses to render their personal properties to their companies to alleviate their financial pinch by exempting the corporate tax on the donated properties.

The guarantee obligation taken over by head enterprises in the course of selling an insolvent subsidiary business will be recognized as a business loss in the course of paying corporate tax, the amendment stipulates.

When an enterprise starts a new kind of business arranging the insolvent business, the losses possibly incurred in the course of selling the facilities will be made up for through the reduction from taxable income of the new business for 5 years, it said.

For facility investment for business diversion and cultivation of profitable business, either 10 percent of the total invested amount can be deducted from corporate tax or adding 100 percent of the depreciation cost will be allowed, according to the amendment.

Together with these, as a means to vitalize provincial economies, the enterprises who move their head offices to provincial cities, including Pusan and Taegu, will be exempted from the corporate tax on the profit upon alienation of their head offices.

The investment made for the construction of their new head offices in provinces will also be included in the scope of tax deduction, the amendment stipulates.

The law will reduce the tax rate on less than 5 million won of household deposit to 5 percent, from the current 16.75 percent.

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CSO: 4100/46

S. KOREA/POLITICS AND GOVERNMENT

DJP CIRCULATES KIM TAE-CHUNG WRITING AGAINST CONSTITUTION REVISION

SK300142 Seoul HANGUK ILBO in Korean 29 Nov 85 p 3

[From the "Political Scene" column]

[Text] From an article written by Mr Kim Tae-chung in April 1984, during his stay in the United States, and contributed to CONSCIENCE IN ACTION, a magazine published by the Korea Institute for Research on Human Rights, the DJP has copied and distributed a portion concerning his opposition to revision of the Constitution for direct presidential elections. This coincided with [DJP] Assemblyman Kim Chong-nam's rebuttal. The New Korea Democratic Party denounced this as black propaganda.

The Kim Tae-chung side rebutted this by saying: The main point of his article called for changing the Constitution of the Fifth Republic to the Constitution of the Third Republic and warned of the danger of the then-opposition DKP's attempt to revise the Constitution for direct presidential elections on the ground that forces pursuing the constitutional revision were a group lacking morality and purity since they belonged to an opposition party operating within the framework of the government system. However, out of this long article the DJP chose several sentences, weaving them together to the effect that Mr Kim Tae-chung opposes a revision of the Constitution for direct presidential elections, and distributed them.

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CSO: 4100/46

S. KOREA/POLITICS AND GOVERNMENT

LEADING STUDENTS IN DJP INSTITUTE SEIZURE NUMBER 56

SK290038 Seoul THE KOREA HERALD in English 29 Nov 85 p 8

[Text] Police said yesterday that those who played the leading role in the seizure of the Democratic Justice Party training institute on 18 November numbered 56. The 56 radical students include 10 persons who have been wanted by police on suspicion of assisting the occupation of the institute at Karak-dong Bldg 1 college students for about 6 hours.

Police also identified two students who set fire on a barricade they set up on the corridor with chairs and desks to block the entry into the building by riot police. They are Yim Pyong-su, 21, a junior of Seoul National University, and Yim Chong-un, 23, a junior of Tongguk University. The two are expected to be charged with committing an arson, a penalty that carries prison terms ranging from 5 years to life.

The police will refer the 191 students to the prosecution today. They are expected to be probed by 36 prosecutors at the Seoul District Prosecutors' Office and its three branch offices.

Of those who played the leading roles, 35 students were suspected of assisting the arson by supplying kerosene containers or bottles with petroleum. They included 16 students of Seoul National University.

Police are considering charging them for playing the secondary role in an arson.

Originally, the police put all 191 students under custody as "prime suspects" in the arson and violent sit-in at the institute pending investigations.

Now that the suspected arsonists and those who played the key role have been revealed, the prosecution is expected to selectively deal with the 191 students while indicting them for trial, according to police investigators.

The investigators said the masterminds included five members of Chonhangyon, a radical student organization which is suspected of having engineered the seizure, 13 students who mobilized students of their schools for the occupation and 38 others who provided placards, Molotov cocktails and kerosene.

About 50 others have turned out to have actively participated in the seizure while the rest were "casual" participants, they said.

It was learned that 37 of the 191 students were children of government officials or teachers of primary and secondary schools.

Investigators said many of the students have showed positive responses to the request by police that they reflect on their deeds and write them down.

While occupying the training institute, the students demanded the abolition of the import liberalization policy and shouted antigovernment and anti-U.S. slogans.

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CSO: 4100/46

S. KOREA/POLITICS AND GOVERNMENT

CHON CALLS FOR EFFORTS TO ELIMINATE SOCIAL EVILS

SK280047 Seoul THE KOREA HERALD in English 28 Nov 85 p 1

[Text] President Chon Tu-hwan said yesterday that the nation should redouble its efforts to eliminate such social evils as mammonism, extreme extravagance, the evasion of the law, egoism and factionalism.

Chon said, "These evils cast a dark cloud of injustice, distrust and disorder over a segment of our society." Although they are dysfunctional factors of rapid industrialization, they should be eradicated before they become chronic, "if we are to achieve a sound social development," he said.

The president was speaking at a nationwide social reform rally held in the grand auditorium of the Seoul Sejong Cultural Center.

Chon said that the second phase of social reform should be pursued in a way which can lead to changes in national values and attitudes.

The people, he said, should also complete the task of the first phase of social reform by removing "whatever evils and absurdities remain in our society."

"In a few years, the nation will achieve a peaceful power transfer and conduct the Seoul Olympics, making a high level for take off in political, economic, social and other fields," he said. This means that "we find ourselves in a very crucial period that we have to create an advanced nation worthy of the name," Chon said.

Describing the present time as a transitional period for Korea, he emphasized that the people should develop a spiritual capability for coping wisely with challenges and tribulations accompanying social change.

The development of the spiritual capability as well as the training of a sound body constitutes the basic task of carving out a new history, the president said.

If the national values should be disrupted, the society might be in danger of falling into suffering and retreat, whatever its growth and development, Chon said.

He said, "Let all of us pledge to hold the torch of social reform higher up with a firm conviction and indomitable determination until we construct a bright and clean society in this land."

The president recalled that the social reform campaign, which was started in early 1980 by cracking down on social turmoil and irregularities, has contributed greatly to renovating "our surroundings."

The campaign, he noted, has gradually developed into a drive to change national values and attitudes.

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CSO: 4100/46



S. KOREA/POLITICS AND GOVERNMENT

POLICE KEEP CLOSE WATCH ON RADICAL STUDENT ACTIVISTS

SK280105 Seoul THE KOREA HERALD in English 28 Nov 85 p 8

[Text] Seoul police will keep constant watch on more than 100 student radicals who are expected to play leading roles in campus unrest next year, a police spokesman said yesterday. He said that the college students now in their second and third years are most likely to lead antigovernment demonstrations or sit-ins in and outside their campuses during the 1986 spring semester which starts in March. He put the number of new student activists at 108 from 25 colleges and universities.

In order to reduce campus unrest to a minimum in the new year, police will keep increased watch on movements of the college sophomores and juniors in question, said the Seoul Metropolitan Police Bureau spokesman.

Most of the 488 student activists who had played key roles in campus activism so far this year have now been put under custody, according to him. He conceded, however, that key members of the Chonhangyon (National Federation of Student Associations) and the Sammintu (Sammin Struggle Committee) are still at large. The Chonhangyon and Sammintu were reported to have master-minded the seizures of the USIS library in Seoul last May and the central political training institute of the ruling Democratic Justice Party on 18 November.

Of the students who will probably lead campus activism in 1986, the police said, 11 are in Seoul National University, 10 in Yonsei, eight in Chungang, six in Kungmin, five each in Korea, Sangmyong Women's Hanyang and Sogang, four in Songgyungwan, three each in Hanguk University of Foreign Studies and Sungmyong Women's and two each in Ewha Women's and Tanguk.

On Tuesday, police said that 52 underground student organizations of various nature have been established at 18 major universities in Seoul.

Meanwhile, the metropolitan police instructed police stations in the city to check college students who lodge in rented rooms around campuses and make reports on them by the end of this month.

The instruction came after concluding that students may hold ideology-related meetings at their boarding rooms on the eve of winter vacations.

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S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON BUDGET BILL

DJP to Railroad Through Bill

SK010012 Seoul THE KOREA HERALD in English 1 Dec 85 pp 1-2

[Text] The Democratic Justice Party is almost certain to railroad next year's budget bill through the National Assembly Budget Settlement Committee and a plenary Assembly session early this morning.

The ruling party is expected to invoke the "power of security" to have security guards take demonstrating opposition lawmakers out of the main chamber and the committee conference room. Physical confrontation is likely if security guards were mobilized. The plenary session originally scheduled for 10 am yesterday was postponed four times.

At 10 pm, the ruling lawmakers entered the main chamber and attempted to pass the money bill. However, the attempt failed because an estimated 20 opposition lawmakers rushed to the speaker's seat and occupied it. After 20 minutes of scuffle, the DJP lawmakers left the chamber and the plenary session was put off to 1 am today.

DJP members of the budget committee, meanwhile, tried to enter the committee conference room at 10:20 pm but were stopped at the entrance by opposition legislators who occupied it.

The ruling party issued a statement accusing the opposition parties of nonparliamentary acts.

Opposition lawmakers continued their sit-in for the third day with rival parties sharply clashing over the settlement of the money bill.

The majority party intended to approve the bill in a place other than the designated chamber.

The New Korea Democratic Party and Korea National Party continued to occupy the main chamber and conference rooms of the pertinent committees.

The lawmakers of the two opposition parties made concerted efforts to forestall the ruling party's possible attempts to pass the bill in a blitzkrieg manner.

The legislators of the main opposition NKDP were divided into eight task groups, who were sent to the main chamber and relevant committee conference rooms. Those opposition members, who were sent to the main chamber, positioned themselves nearest to the speaker's seat to obstruct proceedings in case the ruling party should try to push the budget bill.

The legal deadline for action on the proposed budget is set for tomorrow. The ruling party remains unchanged in its resolve to meet the deadline.

Late in the afternoon, accompanied by Deputy Prime Minister Sin Pyong-hyon, DJP members of the budget committee made an abortive attempt to enter the chamber, which was occupied by opposition lawmakers.

The deputy prime minister's presence is essential to approving the budget proposal for next year.

As part of preparations for the ruling party's unilateral action on the budget and other bills, the Assembly forbade strangers to visit.

Prospects were that the government party would push action on the budget and other bills, triggering a scuffle with opposition parties. A scuffle would send relations between rival parties to the breaking point.

A plenary session, which was originally scheduled for 10 am, was postponed twice, and the Assembly failed to meet.

In this connection, Speaker Yi Chai-hyong referred the proposed amendments to the Tax Exemption and Deduction Law to a plenary Assembly session, dispensing with action by the Legislative-Judiciary Committee.

The ruling party unilaterally approved the controversial amendments in the Finance Committee Friday and sent them to the Legislative-Judiciary Committee for possible modifications in phrasings.

Meanwhile, the DJP and NKDP held a meeting of their floor leaders to break the impasse, but fell short of ironing out differences.

DJP floor leader Yi Sei-ki asked NKDP floor leader Kim Tong-yong to cooperate in acting on the money bill. Yi offered to assure the opposition party of continued debates on a proposal for constitutional revision at the Steering Committee.

Kim, however, demanded that the ruling party first nullify its unilateral approval of the tax amendments in the Finance Committee.

The meeting bogged down because the two floor leaders stuck to their positions.

Earlier in the day, rival parties held a series of separate meetings to reaffirm their original positions.

In a meeting of its ranking officials, the ruling party decided to push action on the budget and other relevant bills.

DJP Chairman No Tae-u said that the ruling party could no longer allow the opposition's obstruction schemes to drift deliberations on state affairs.

Meanwhile, NKDP President Yi Min-wu said that the DJP is responsible for the Assembly deadlock as the majority party unilaterally passed the government-proposed amendments to tax laws at the Finance Committee Friday.

Should the ruling party pass the budget bill for next year in the same way, the opposition party would be forced to seek extra-Assembly struggle, Yi said.

But Yi said his party will continue the dialogue with the DJP on the formation of a special committee for constitutional revision.

#### Subcommittee Approves Bill

SK300003 Seoul THE KOREA TIMES in English 30 Nov 85 p 1

[Text] The figure-trimming sub-committee of the Special Budget-Settlement Committee confirmed the scale of next year's budget bill in a vote showdown between ruling and opposition members last night.

The 13-member sub-panel slashed 14 billion won from the budget originally scaled at 13,815 billion won by a vote of seven to six.

The expenditures were cut down by 67.2 billion won from unimportant items and then they were increased by 52.4 billion won in other areas.

However, six opposition members claimed that the vote was invalid because there was no formal announcement of the voting.

The sub-panel was in session despite the opposition parties' sit-in protest caused by the ruling party's unilateral passage of tax bills in the Finance Committee.

The opposition members also argued that chairman of the sub-panel Chon Pyong-u declared the passage by pounding his desk with his palm instead of using a gavel.

In the sub-panel, main opposition New Korea Democratic Party had claimed that a total of 320 billion won should be slashed, while the second opposition Korea National Party sought a 130 billion won cut.

The vote showdown came after the NDP members threatened to walk out of the session unless their demand for the curtailment was met.

## DJP Passes Tax Bills

SK300007 Seoul THE KOREA HERALD in English 30 Nov 85 p 1

[Text] The Democratic Justice Party passed controversial amendments to the Tax Exemption and Deduction Law and four other tax laws in the absence of opposition lawmakers in the Finance Committee yesterday. The DJP action came amid the rival parties' confrontation over the constitutional revision issue.

The unilateral action, the first of its kind in the incumbent Assembly, immediately strained relations between rival parties and scuttled deliberations at other committees.

Opposition lawmakers disputed the validity of the DJP's unilateral action and asserted that it was void.

The ruling DJP approved the government-proposed amendments in a blitzkrieg manner before the committee members of the opposition New Korea Democratic Party and Korea National Party arrived. It took less than two minutes to okay the amendments, which were referred to the Legislative-Judiciary Committee for possible modifications in phrasings.

As the DJP approved the amendments in a hasty manner, it dispensed with policy questioning on them.

The amendment to the Tax Exemption and Deduction Law is designed, among others, to exempt large businesses from capital gains and other taxes when they dispose of their idle estate.

It was submitted to the Finance Committee last summer, but its action was delayed in the face of strong objection from opposition parties.

Opposition legislators walked out of other committees in protest against the action by the Finance Committee.

Lawmakers of the New Korea Democratic Party cut short deliberations on the budget bill for next year at the Budget Settlement Committee.

The Steering Committee met late in the afternoon only to adjourn right away.

In the meantime, Kim Yong-tae, chairman of the Finance Committee, explained that the ruling party pushed ahead with the unilateral approval in order to prevent a possible physical confrontation.

The NKDP issued a strongly worded statement to charge the ruling party with the unprecedented action.

The minor opposition KNP also issued a similar statement to criticize the ruling party.

Ruling and opposition parties, putting differences over procedural matters aside, agreed in the morning to resume committee sessions at 3 pm.

In a meeting of the floor leaders, rival parties reached an understanding that the opposition party would no longer make an issue of a ruling lawmaker's alleged rudeness in addressing two prominent former opposition politicians.

They also decided to continue negotiations aimed at arranging a meeting of the leaders of the three parties to iron out differences over outstanding political issues.

Prior to the floor leaders' meeting, the DJP and NKDP held separate meetings to work out their own floor strategies.

In a meeting of its ranking officials, the ruling party reaffirmed its previous position that the settlement of political issues should be separated from action on the 13,815.3 billion won budget bill for fiscal 1986.

It also renewed its intention to finish action on the money bill before the legal deadline set for 2 December.

The opposition NKDP, in the meantime, decided to agree to normalize the stalled committee sessions.

The decision was apparently designed to deflect the people's possible criticism that the opposition party paid no attention to the people's livelihood. In line with the decision, the NKDP called for a caucus of its lawmakers slated for the morning.

Briefing reporters on the outcome of a meeting of party officials, spokesman Hong Sa-tok said that the NKDP would concentrate on fighting for constitutional revision and reduction of the proposed budget.

#### NKDP President Warns of 'Nonparliamentary' Struggle

SK010004 Seoul THE KOREA HERALD in English 1 Dec 85 p 1

[Text] Yi Min-u, president of the New Korea Democratic Party, warned yesterday that his party would have no choice but to resort to "non-parliamentary" struggle, if the ruling party should pass the budget bill "in an abnormal manner."

Yi told a press conference that the ruling party is responsible for the sit-in NKDP lawmakers were staging in the Assembly in protest against its unilateral approval of the amendments to the Tax Exemption and Deduction Law. The opposition leader did not elaborate on the nonparliamentary struggle, however.

Turning to the opposition's call for constitutional revision, he said, "Even if we should make little progress in our efforts to push for the formation of an ad hoc committee for constitutional revision, we will not give up the efforts." The veteran politician added that the main opposition party would continue to seek dialogue with the ruling party while striving for constitutional rewriting.

S. KOREA/POLITICS AND GOVERNMENT

ASSEMBLY NORMALIZES OPERATION AFTER CLASH

SK270257 Seoul YONHAP in English 0208 GMT 27 Nov 85

[Text] Seoul, 27 Nov (OANA-YONHAP)--The National Assembly normalized its operation Tuesday when the ruling Democratic Justice Party (DJP) assured opposition parties of a committee deliberation of constitutional revision.

In a negotiation to bring the assembly back to normal, the main opposition New Democratic Korea Party (NDKP) agreed to end its filibustering of the budget-settlement committee session in return for the DJP's assurance of the debate on the formation of an ad hoc panel on constitutional revision.

The operation of the current regular Assembly session was paralyzed when NDKP members staged a sit-in in the chamber in protest of the budget-settlement committee chairman's allegedly arbitrary closure of an interpellation session early Tuesday.

In line with the agreement of the floor leaders of the rival parties, the steering committee is to handle the opposition-proposed formation of an ad hoc committee on the amendment of the constitution Wednesday afternoon.

Following the floor leaders' agreement, five standing committees in addition to the budget-settlement committee, were called into session Tuesday afternoon.

Emerging from the floor leaders' meeting, DJP floor leader Yi Se-ki and his NDKP counterpart Kim Tong-yong said there was no pre-condition to normalize the Assembly session and that the agenda for the constitutional amendment would be fixed among the senior members of the rival parties.

The opposition political camp seeks to revise the constitution to institute a direct popular presidential election, by removing the existing electoral college.

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S. KOREA/POLITICS AND GOVERNMENT

PARTIES TO DISCUSS FORMING PANEL FOR CONSTITUTIONAL CHANGE

SK270043 Seoul THE KOREA HERALD in English 27 Nov 85 pp 1, 2

[Text] The nation's ruling and opposition parties will wrangle today over the wisdom of forming an ad hoc committee for constitutional revision. Rival parties, staving off a potential stalemate, agreed yesterday to hold a procon debate on proposals for the special committee at the National Assembly Steering Committee.

The ruling Democratic Justice Party is certain to oppose the proposed formation, stressing that the present Constitution should be safeguarded to achieve a peaceful power transfer in early 1988.

The main opposition New Korea Democratic Party, which sponsored one of the two proposals, plans to point out reasons for demanding constitutional amendment.

The minor opposition Korea National Party, which initiated the other overture, is expected to align itself with the NKDP in calling for the establishment of the body.

The floor leaders of the three major parties agreed yesterday to handle the proposals at the Steering Committee today.

The agreement helped rival parties smooth over a strain in their relations following the NKDP's temporary occupation of the seat of the chairman of the Budget Settlement Committee early yesterday morning.

The floor leaders decided to have the ranking committee members of the budget committee apologize for their failure to ensure a smooth operation of the committee session. They also pledged to make common efforts to prevent similar occurrences.

In line with the floor leaders' agreement, the budget committee session resumed to start ministry-by-ministry deliberations on the 13,815.3 billion won budget bill for next year. The detailed budget deliberations will continue through today.



The budget committee will make modifications to the money bill tomorrow and Friday, if necessary.

The scale of next year's budget will be determined in a plenary committee session Friday, and the bill will be sent to a plenary Assembly session Saturday.

The Assembly convened seven of its standing committees to continue debate on bills and other agenda items awaiting action. The seven were Finance, National Defense, Agriculture-Fisheries, Education-Information, Trade-Industry, Transportation-Communications and Construction.

Tension prevailed between the DJP and the NKDP because they sharply disagreed over the handling of the sit-in at the budget committee chamber. They traded strongly worded statements, blaming each other for the free-for-all at the budget committee. At 1:15 am yesterday, a group of NKDP lawmakers rushed to the budget committee chairman's seat in protest against his unilateral conclusion of policy questioning on the budget bill.

DJP spokesman Sim Myong-po accused the opposition party of endangering "our parliamentary democracy" by making a scene at the committee.

The spokesman asserted that the opposition party seized the committee chairman's seat intentionally to serve its political purposes.

"We cannot help branding the NKDP's movement as a political struggle that subverts deliberations on state affairs. We make it clear that the NKDP should be responsible for the crippled operation of the Assembly hereafter," Sim said.

The NKDP, on the other hand, charged the ruling party with violating the Constitution by trying to finish questioning on the budget bill in a blitzkrieg manner." Spokesman Hong Sa-tok warned that a grave situation would follow unless the ruling party apologizes for "its disgraceful violation of the Constitution."

The two parties held separate meetings to discuss possible options for handling the occupation.

In a series of meetings of its ranking officials, the ruling DJP studied the possibility of seeking disciplinary action against Rep Pak Yong-man of the NKDP, who allegedly went to extremes in the course of the siege. The ruling party said that Pak violated Article 153 of the National Assembly Law, which concerns the behavior of lawmakers.

The NKDP, for its part, decided to demand that budget committee chairman Kim Chong-ho offer an apology for his "inappropriate operation of the session."

It also decided to stage a sit-in at the budget committee if its demand for debate on the ad hoc committee for Constitution rewriting is not met.

Tension subsided in the afternoon when the floor leaders worked out an agreement on the Steering Committee session.

S. KOREA/POLITICS AND GOVERNMENT

GOVERNMENT, DJP DISCUSS STUDENT RADICALISM, UNEMPLOYMENT

SK270045 Seoul THE KOREA HERALD in English 27 Nov 85 p 8

[Text] Student radicalism and unemployment dominated discussions at a policy coordination meeting between the government and the Democratic Justice Party yesterday.

The government and the ruling DJP shared the view that popular cooperation is essential to coping effectively with student activism, which is growing more violent.

The ruling party urged the government to work out a comprehensive package aimed at enlisting the people's voluntary cooperation in countering violent campus disturbances. It also presented alternative measures to deal with student demonstrations. One of the measures calls for educating students to have a correct sense of history.

The meeting, which was held at the party headquarters, also took up the issue of unemployment.

The government and the majority party agreed to increase job opportunities by efficiently managing government spending.

They decided to advance the start of public works projects to help ease unemployment, which is emerging as a serious social problem.

The government officials present at the meeting included Prime Minister No Sin-yong, Deputy Prime Minister Sin Pyong-hyun and major cabinet members.

Among the DJP participants were Chairman No Tae-u, Secretary General Chong Sun-tok, floor leader Yi Se-ki and chief policymaker Chang Song-man.

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S. KOREA/POLITICS AND GOVERNMENT

DJP TO TAKE DISCIPLINARY ACTION AGAINST NKDP ASSEMBLYMAN

SK260900 Seoul Domestic Service in Korean 0200 GMT 26 Nov 85

[Text] Presided over by party Chairman No Tae-u, the Democratic Justice Party [DJP] held an emergency meeting of party post holders at the central party building this morning and decided to take disciplinary action against a national assemblyman who committed the illegal act of occupying the rostrum at a special meeting of the National Assembly Budget and Accounting Committee held early this morning. The DJP decided to take disciplinary action under the law, agreeing that acts committed by National Assemblyman Pak Yong-man of the New Korea Democratic Party [NKDP] at a meeting of the National Assembly Budget and Accounting Committee held early this morning--acts of occupying the rostrum, breaking a microphone, and snatching the gavel--are acts violating the National Assembly Law. Article 145 of the National Assembly Law stipulates that national assemblymen are not allowed to take the rostrum during the National Assembly session without the permission of the National Assembly committee chairman, and that disciplinary action will be taken against those who make insulting remarks or prevent speeches.

At today's meeting, party Chairman No Tae-u said there exists the strong will not to allow any national assemblyman to prevent the progress of a National Assembly meeting through violence under any pretext or cause whatsoever, and that the basic principle of not allowing one to prevent the progress of a National Assembly meeting should be safeguarded during the 12th National Assembly.

Following the conclusion of today's meeting, DJP spokesman Sin Myong-po said in a statement that the ugly act of occupying the rostrum and of snatching the gavel constituted an act of hindering the development of parliamentary democracy. He then stated: We witnessed such a result at the meeting despite the fact that the prime minister participated in the meeting as demanded by the NKDP. It is clear that the act revealed a political intent to hinder the progress of the meeting. Such an act committed by a NKDP national assemblyman revealed an intent to regress to the old era and produced the impression that the NKDP was trying to avoid a review of state affairs. He made it clear that the NKDP is responsible for hamstringing the National Assembly as a result of such an act.

After holding a meeting of party post holders, the DJP has held a meeting of the Central Executive Committee of the party and is discussing measures for the political situation.

The NKDP held an expanded emergency meeting of party executive members this morning and decided to determine the future direction of its activities at the National Assembly by seeking wisdom from NKDP national assemblymen by successively holding a political affairs meeting and a meeting of national assemblymen today.

At today's meeting the NKDP decided not to participate in the activities of the subcommittee of the National Assembly Budget and Accounting Committee and to determine at a political affairs meeting scheduled to be held this afternoon whether the party will participate in some standing committees of the National Assembly, including the National Assembly Operations and Finance Committees.

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S. KOREA/POLITICS AND GOVERNMENT

DJP SPOKESMAN DENOUNCES NKDP FOR ACTS IN ASSEMBLY

SK260905 Seoul YONHAP in English 0843 GMT 26 Nov 85

[Text] Seoul, 26 Nov (OANA-YONHAP)--Sim Myong-po, spokesman for South Korea's Democratic Justice Party (DJP), Tuesday denounced the major opposition New Korea Democratic Party (NKDP) for impeding the development of democracy in Korea by taking over the seat of the chairman of the National Assembly's Budget Settlement Committee.

In an official statement, Sim expressed his party's regret over the NKDP's occupation of the Assembly budget panel.

Shortly after Korean Prime Minister No Sin-yong left the committee chamber late Monday evening, NKDP legislators occupied the chairman's seat, demanding that the prime minister provide further testimony before the panel. As the DJP and NKDP lawmakers exchanged shouts and denunciations, some NKDP committee members inadvertently smashed a microphone on the chairman's table.

Shim asserted in the statement that political considerations were clearly behind the NKDP's behavior, considering the fact that No's testimony before the budget panel on Monday had been requested by the NKDP. According to the statement, the ruling party believes that the NKDP's "shameful conduct" shows that the NKDP has given up the idea of deliberating state affairs through the assembly forum and is repeating the disgraceful political actions that it used in the past.

The NKDP apparently launched a political struggle against the ruling camp through the committee occupation, Sim said. On Tuesday, the opposition party decided to continue the occupation until special instructions are given to NKDP legislators. The NKDP issued a statement, denouncing the ruling party for operating the budget panel in an "unfair and arbitrary" manner. In the statement, the opposition party urged the DJP to join its campaign to revise the current constitution, in order to guarantee the election of the president by a popular vote, instead of by an electoral college.

The NKDP said that the DJP should assume all responsibility for Korea's future political development if it refuses to accommodate the NKDP's demand for constitutional revision, according to the statement.

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S. KOREA/POLITICS AND GOVERNMENT

PRIME MINISTER REJECTS DEMAND FOR BASIC LAW CHANGE

SK260212 Seoul THE KOREA HERALD in English 26 Nov 85 pp 1, 4

[Text] Prime Minister No Sin-yong countered the opposition's demand for constitutional revision yesterday by saying "this is not the time to discuss the rewriting of the Constitution." No said that social and political stability is the top priority in achieving a peaceful power transfer in early 1988.

The prime minister was testifying before the National Assembly Budget Settlement Committee. He attended the committee "of his own accord" in accordance with last Friday's agreement between rival political parties. The opposition's call for his attendance stalled the committee session for 4 days last week.

"It is most important for us to realize a peaceful power change in 2 years or so. The political task facing the nation is to preclude social turmoil," No said.

He warned that the nation would be unable to conduct the 1986 Asian Games and the 1988 Olympics, if the national opinion should be split by arguments over constitutional rewriting or presidential election system. The prime minister said that the current basic law is based on the general agreement of the people. "The nation adopted the indirect presidential election method on the basis of the people's consensus after overcoming the 26 October incident of 1979 and reflecting on the merits and demerits of past constitutions," he said.

No stated that the result of the February general election cannot be interpreted as the people's mandate for constitutional amendment just because opposition parties won more votes than the ruling party. Under a multiparty system, he said, it is possible for opposition parties to garner more votes than the ruling party.

The prime minister said that he cannot agree to the opposition's demand only for a change of the ruling party. Opposition lawmakers have clamored for the past few days for constitutional revision to clear the way for a direct election of the president. They asserted that the people manifested their desire for a direct election of the president by giving more votes to their parties which called for constitutional amendment.

On the last day of a 3-day policy questioning on the budget bill for fiscal 1986, eight lawmakers took the floor.

Touching on Korea-U.S. trade issues, the prime minister said that the two countries show slight differences in approaching the trade friction. It is desirable to tackle the issues from the standpoint of the overall relations between the two countries rather than to stick to individual items, he said. "I think the trade issues will be solved in such a way that serves the interests of the two countries."

No also said that the Korean question was discussed at the recent U.S.-Soviet summit talks in Geneva in a way that did not run counter to "our national interests." He made the point, referring to a briefing by visiting U.S. Assistant Secretary of State Paul Wolfowitz on the result of the Geneva summit.

With regard to Korea's possible admission to the United Nations, he said that the government expects a good result from its efforts to get admitted to the world body. He pointed to an international opinion that it would be good if Seoul alone should join the United Nations.

The prime minister, however, said that the nation cannot be optimistic of its early admission because the Soviet Union can exercise its veto power at the Security Council. He said that during his recent visit to the world body, he made it clear that joint admission by South and North Korea is not designed to perpetuate the division of the Korean peninsula.

The prime minister said that the government will finish legislation for the implementation of a local autonomy system in 1987 by the end of next year.

A tentative bill for local autonomy will be produced by next May and will be referred to a public debate in next June, he said.

The prime minister also said that the government does not plan to hold a special election in Kwangju next year to pick a lawmaker who will succeed the late Rep Kim Nok-yong.

He said that the government is continuing efforts to realize its earlier proposal for inter-Korea summit talks. The government has been trying to materialize the talks since it proposed them in 1981 to ease tension on the Korean peninsula and achieve a peaceful national unification.

He also denied rumors of an exchange of visits by ranking South and North Korean officials by saying the Ministry of Culture and Information had already denied them. No also spurned as groundless rumors that the National Assembly might be disbanded in April next year.

Meanwhile, opposition lawmakers, pointing to the "unattainable" tax goals for next year, urged the government yesterday to lower revenue projections.

Rep Ban Hyong-sik of the New Korea Democratic Party asserted that the tax goals of 13,815.3 billion won, which are based on a 7 percent economic growth, will be impossible to achieve. Ban pointed out that the nation's economic growth rate for this year is likely to fall short of 5 percent.

His prediction was echoed by Rep Kim Il-yun of the Korean National Party, who demanded to know how the government plans to make up for tax shortfalls in case the nation fails to attain a 7-percent economic growth.

The NKDP legislator also claimed that the proposed amendments to the Tax Exemption and Deduction Law, if approved, would increase the people's tax burdens by 100 billion won. He insisted that the amendments be scrapped because they violate the principle of equity in tax administration.

The opposition lawmaker called for the abolition of the value-added tax as well as the overall revamping of the taxation policy.

He argued that the government invited U.S. trade pressures by making exaggerated publicity on the nation's economic performance. He maintained that the government has coped "inconclusively" with the U.S. demands for more access to the nation's markets.

Rep Kim asked the government to present the rationale for projecting next year's price rises at 2-3 percent. He contended that there are such inflation factors as deficits in the international balance of payments, increases in the won-dollar exchange rates and rises in money volume.

The number of the unemployed people reached 613,000 as of the end of last August, 93,000 more than a year ago, he said. He called upon the government to work out fundamental measures to increase job opportunities next year.

The KNP lawmaker asked the government to reconsider its plan to open up the domestic capital markets to foreign countries at the moment when the nation has \$50 billion in foreign debts.

Rep Kim Hyon-uk of the Democratic Justice Party asked the government to unveil the contents of the recent summit meeting between the United States and Soviet Union that concerns the security of Korea.

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S. KOREA/POLITICS AND GOVERNMENT

PROSECUTION INDICTS EX-ARMY CAPTAIN FOR FAKE COUP

SK260447 Seoul YONHAP in English 0311 GMT 26 Nov 85

[Text] Seoul, 26 Nov (OANA-YONHAP)--The Seoul prosecutor's office Tuesday indicted on fraud charges a 55-year-old retired army captain who allegedly swindled leading business executives and former lawmakers out of more than 90 million won (about 100,000 U.S. dollars).

The captain allegedly disguised himself as a retired army general and promised to give the businessmen benefits and others major government positions after toppling the government in a coup.

The prosecution also indicted two other collaborators on the same charges and put another two, including a 75-year-old former lawmaker, on a search list.

The prosecution requested that the Justice Ministry punish a 50-year-old lawyer and former provincial police chief who allegedly exaggerated and spread rumors about the fraudulent scheme. The prosecution withheld indictment of four others involved in the plot, including a 40-year-old Korean resident in the United States, who showed repentance.

According to the prosecution, Pak Chae-uk spread rumors that he would lead a new government, which he planned to set up with Korea military academy graduates following the coup, and that he had already signed a memorandum with the United States for the establishment of the new government.

In another lie, Pak said he had been in contact with the U.S. Central Intelligence Agency and had gone to the United States several times to discuss the political situation in Korea, the prosecutors said.

The prosecution also said that Pak cheated eight persons including three former lawmakers, a former police chief, and business executives, out of more than 90 million won (about U.S.\$100,000; one dollar is worth about 890 won) from March 1980 to September of this year, promising them prominent positions in his future government or benefits for their businesses.

Among the business executives swindled by Pak were Chong-hun, vice president of the Korea Highway Corp., and Cho Chong-ku, chairman of Sambu Construction Co., the prosecutors said.

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S. KOREA/POLITICS AND GOVERNMENT

DJP TO PROPOSE FLOOR LEADERS MEETING TO RESUME ASSEMBLY

SK102329 Seoul THE KOREA HERALD in English 11 Dec 85 p 1

[Text] The Democratic Justice Party decided yesterday to propose that the floor leaders of rival parties meet today in an effort to break the deadlock resulting from its unilateral passage of the budget bill Dec. 2.

The decision was made at a meeting of the floor leader and vice floor leaders of the ruling party.

The ruling party also decided to seek dialogue with the opposition New Korea Democratic Party at all levels to resume the stalled regular National Assembly session.

In this connection, the vice floor leaders of the DJP met with their NKDP counterparts to create a mood for the resumption of interparty dialogue.

Briefing reporters on the outcome of the informal meetings, Chong Nam, vice floor leader of the ruling party, said, "I am neither optimistic nor pessimistic as to the possibility of the floor leaders' meeting."

DJP secretary general Chong Sun-tok said he expects rival parties will start talks tomorrow.

"As the opposition party has not said it will boycott the rest of the regular Assembly session, I hope they (opposition lawmakers) will attend the session soon," he said.

The ruling party will hold official talks with the opposition party at the floor leader's level, and all party officials will try to help the floor leader to negotiate a settlement of the stalemate, he said.

Meanwhile, NKDP floor leader Kim Tong-yong said that it would be rather difficult for the floor leaders' meeting to take place unless the ruling party accepts his party's preconditions for dialogue.

The conditions are that the ruling party nullify action on the budget and tax bills, that the ongoing investigation into the violence by opposition lawmakers and their secretaries be suspended, and that its overture for the formation of an ad hoc constitutional revision deliberation committee be met.

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S. KOREA/POLITICS AND GOVERNMENT

MINJUNG KYOYUK DEFENDANT CRITICIZES EDUCATIONAL SYSTEM

SK102341 Seoul THE KOREA TIMES in English 11 Dec 85 p 8

[Text] One of the three defendants indicted in connection with the "seditious" nonperiodical of Minjung Kyoyuk (Education for the Masses) contended that the current educational system favors the rich more than the poor.

Defendant Yun Chae-chol, former teacher at Songdong High School, said in a court hearing that as a teacher he feels that the present educational system does not allow much consideration for the low class of society.

He and two other defendants stood trial yesterday for the first time since mid-August when they were charged with their involvement in supporting the "agitative" journal.

The other two accused are Kim Chin-kyong, former teacher at Yangjong High School, and Song Ki-won, editor of Silchon Munhak (Practical Literature) Co., which is responsible for its publication.

Kim and Yun are accused of having contributed articles to the journal, negating the established values of the free democratic system and "speaking for leftist radicals."

The prosecution charges them also with sympathizing with the North Korean strategy to topple the current government through a violent revolution and instigating anti-American sentiments, violating the National Security Law.

In the hearing session held at the Seoul District Criminal Court, defendant Yun also testified that he was aware in part of North Korea's argument that the South's education is aimed at training people into complying with the capitalist system designed to exploit workers.

A total of 20 teachers faced police questioning in connection with the controversial journal.

Most of them, except for the two arrested and indicted, were referred to summary trial or underwent admonition by police.

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S. KOREA/POLITICS AND GOVERNMENT

DJP SPOKESMAN ON PLANNED SIGNATURE COLLECTION CAMPAIGN

SK091222 Seoul YONHAP in English 1205 GMT 9 Dec 85

[Text] Seoul, Dec. 9 (OANA-YONHAP)--Sim Myong-po, spokesman for South Korea's ruling Democratic Justice Party (DJP), Monday said that the opposition camp's decision to launch a signature-collecting drive for constitutional revision reveals its intention to do anything, even to destroy the basic law, in a bid to take power.

Sim was commenting on the decision which was made at a meeting between Yi Min-u, president of the nation's major opposition New Korea Democratic Party (NKDP), and co-chairmen Kim Tae-chung and Kim Yong-sam of the Council for the Promotion of Democracy (CPD) here Monday.

In the meeting, the opposition party and dissident groups including the CPD decided to start staging the signature-collection campaign across the nation within this year.

Sim said that his party cannot but regard such a decision as a measure to give up the democratic parliamentarism.

The legitimate debate for the constitutional revision should be made in the National Assembly, he pointed out.

The opposition camp, in making the decision, has some political intention to resort to physical force for the achievement of its political goal, Sim asserted.

The opposition camp has been pressing the ruling camp to revise the current constitution in a way to elect the president by a direct and popular vote instead of by an electoral college.

Sim has made it clear that the NKDP should assume all responsibilities for the future results stemming from such an illegal action.

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S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON ASSEMBLY VIOLENCE

NKDP Not To Comply With Investigation

SK062325 Seoul THE KOREA HERALD in English 7 Dec 85 p 1

[Text] The main opposition New Korea Democratic Party decided yesterday not to comply with any investigation by the prosecution of the violence allegedly perpetrated by its lawmakers and secretaries at the National Assembly.

The party made the decision in an officeholders' meeting, accusing the government and the ruling party of "attempting to exploit the case for their political purposes."

Participants in the meeting decided to renew their resolve to carry out struggles in and outside the Assembly regardless of obstructions.

In connection with the case, party spokesman Hong Sa-tok issued a statement blaming the government for "instigating the prosecution to interfere in the Assembly operation."

In a related development, the ruling Democratic Justice Party decided Thursday to revise the National Assembly Law and pertinent regulations to prevent future violent acts at the Assembly.

Editor Assesses DJP's 'Tough Stand'

SK080015 Seoul THE KOREA TIMES in English 8 Dec 85 pp 1, 4

[From the "News in Review" column by political editor Kim Myong-sik]

[Text] The Democratic Justice Party's tough stand against the "acts of violence" in the Assembly involving opposition members makes one wonder if it is a matter of principle or tactics, or both.

"Old-style politics" was the number one anathema for those who formed the present ruling structure five years ago, dedicating themselves to social and political reforms.

What was conspicuously missing during the first parliamentary term in the "Fifth Republic," therefore, were such practices as sit-ins in House chambers and physical obstruction of proceedings.

But a certain change was expected when a new opposition force, the New Korea Democratic Party, surged ahead in the last general elections. The regular fall session finally brought back the familiar scenes.

To make things worse, the secretaries of opposition lawmakers played a significant role in trying to deter the passage of the budget bill. They pushed and elbowed DJP legislators, hurled vulgar words at them and scuffled with Assembly security guards.

The highlight of all this was the commotion which took place in room 146 shortly after the DJP passed the budget bill and several tax bills during its caucus Monday morning.

Some activist members of the NDP hammered their way into the room and man-handled DJP floor leader Yi Sei-ki and Budget-Settlement Committee chairman Kim Chong-ho.

Both men did not resist the attack and few of their colleagues came to their aid. The general passivity on the part of DJP members could be a reflection of their apologetic feeling after the unilateral passage of the bills in a locked-up chamber.

For the next couple of days, the DJP took no particular action, although regrets were expressed in daily meetings of leading officers and opinions were exchanged on the need to provide statutory guarantees against such "deplorable activities."

But new moves began after party leaders met senior officials of the administration Wednesday afternoon. DJP secretary general Chung Sun-duk was learned to have made a "high-level" consultation on that day.

Thursday morning, National Assembly Speaker Yi Chai-hyong issued a statement, deploring the incidents that degraded parliamentary dignity. (Informed sources said the speaker was not particularly happy about this deed for complex reasons.)

Then followed the harshly-worded official communique by the spokesman for the ruling party. It did not openly demand criminal charges against the perpetrators of the "acts of violence" in the Assembly but the spokesman said "law-enforcement authorities would do what they should naturally do."

The Seoul prosecution moved expeditiously, securing evidence with video-tapes taken at the different scenes by the KBS and MBC networks. Eighteen names, including 11 Assemblymen, were given to the press as suspects.

Oppositionists, who were nursing their anger at the unilateral budget passage with the sagas in room 146, were genuinely surprised at the delayed reaction from the ruling camp and began to ponder its significance.

There was speculation that the hard-line stance of the DJP grew out of the sympathy with the victims of the assault, who, together with their families, are known to have suffered serious mental shocks.

Others have it that the DJP was reflecting on the overall posture of "softness" during the current session which party leaders feared would have been seen as a sign of weakness by the electorate.

They particularly regretted the compromise offer of setting up a special committee for research on the Constitution, which was eventually rejected by the NDP.

More practical analysts looked at the DJP move as the ruling party's power-packed warning against possible extremism by the oppositionists in and outside the parliament in their campaign for constitutional amendment.

The tough action has the dual aim of taming opposition activists on the one hand and inviting the NDP to the negotiating table on the other, using the possible indictment of the named "suspects" as a pawn, they said. The true motivation could be a combination of all these diverse factors, and few can make an easy prediction as to how things will develop.

Optimists point to the usually conciliatory mood in the year-end season when parties and gifts are rampant. Pessimists, on the other hand, see an extension of the confrontation through the end of the fall session and towards a much-feared springtime crisis.

#### Police Hear Testimonies

SK100051 Seoul THE KOREA TIMES in English 10 Dec 85 p 8

[Text] The Seoul Metropolitan Police, investigating the alleged floor violence, heard testimonies from six people, including two aides of ruling DJP lawmakers, over the weekend.

Those who presented themselves to the police for testimony also include three officials of the National Assembly secretariat and a policeman assigned to the Assembly.

They were learned to have recounted to police investigators statements on the damage they suffered and the reported destruction of Assembly furniture by the NDP legislators and their aides.

A police source said that the police are to receive testimony from over 40 people.

Meanwhile, Kang Min-chang, director of the police, said that the basic investigation focused on gathering evidence will be continued until the end of the current regular session of the Assembly on Dec. 18.

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S. KOREA/POLITICS AND GOVERNMENT

NKDP TO DISCLOSE POSITION ON POLITICAL IMPASSE

SK090733 Seoul YONHAP in English 0633 GMT 9 Dec 85

[Text] Seoul, Dec. 9 (OANA-YONHAP)--The opposition New Korea Democratic Party (NKDP) Monday decided to send an official letter to National Assembly speaker Yi Chae-hyong, disclosing the NKDP's official position on the recent political deadlock brought about by the passage of the national budget bill early this month.

In the letter, the NKDP is expected to declare that the unilateral passage of the budget bill by the ruling Democratic Justice Party (DJP) was invalid and to demand that the prosecution stop its investigation into the violence allegedly committed by some NKDP lawmakers and their aides, a party source said.

The NKDP is also likely to urge speaker Yi to engage in political mediation, in order to normalize the National Assembly.

The opposition party made the decision in a meeting of key party leaders, presided over by NKDP president Yi Min-u.

Five lawmakers, including vice president Kim Su-han, floor leader Kim Tong-yong and spokesman Hong Sa-tuk, will draft the letter.

The NKDP leaders agreed in the meeting that an apology by a "responsible DJP leader" should be made and that the DJP should promise to resume discussions on the formation of a special National Assembly committee to revise the constitution, in order to normalize the National Assembly.

The DJP reportedly plans to hold the regular National Assembly session alone on the remaining three days of the session, beginning Dec. 16, if efforts to resume dialogue with the NKDP make no progress.

The current session is scheduled to conclude on Dec. 18.

NKDP president Yi plans to meet with opposition leaders Kim Tae-chung and Kim Yong-sam on Monday afternoon to discuss the opposition camp's overall strategies. The two Kims jointly head the Council for the Promotion of Democracy, which played a key role in establishing the NKDP.

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S. KOREA/POLITICS AND GOVERNMENT

CHIEF JUSTICE URGES MAINTAINING ORDER IN JUDICIAL SYSTEM

SK090908 Seoul YONHAP in English 0849 GMT 9 Dec 85

[Text] Seoul, Dec. 9 (OANA-YONHAP)--Yu Tae-hung, chief justice of Korea's Supreme Court, said Monday that order should be maintained within the nation's judicial system, to ensure that judgmental procedures are not hampered.

"Democracy will be endangered if those attending a trial ignore the principles of democracy, which is based on consensus," the chief justice said.

Addressing a meeting of the nation's court chiefs at the Supreme Court, Yu said that every court should try to bring about justice through the execution of authority, as provided by the constitution and laws at this difficult time. He noted that court disturbances have often hindered trial procedures even though the number of dangerous activities has remained small.

The chief justice emphasized that the work ethics of judges are based on fair and independent judgments. Therefore, he called upon the judges to execute their duties free from the presumptions of society and the press.

Yu also said he does not intend to abolish the current system of certiorari because it accomplishes its purpose of combining the prompt treatment of judicial matters and the interpretation of laws and ordinances, without disregarding the function of redeeming one's rights.

Regarding last September's scandal involving the management of judicial personnel, Yu said, "It is my duty rather than right to discipline and to transfer the bad 1 percent of the nation's judges, to ensure that they have a chance for self-reflection and to protect the fame and prestige of the good 99 percent."

Last September, the Supreme Court reassigned a judge who had published an article criticizing the management of judicial personnel to an obscure provincial post, one day after he had been reassigned to a court in Seoul. The incident prompted the Korea Bar Association to demand that the chief justice step down, in order to protect the independence of the judicial branch.

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S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON PROBE INTO VIOLENCE IN NATIONAL ASSEMBLY

10 NKDP Members To Be Investigated

SK062321 Seoul THE KOREA HERALD in English 7 Dec 85 p 1

[Text] The prosecution yesterday implied that the probe into violence in the National Assembly will be expanded to include about 10 legislators of the opposition New Korea Democratic Party.

Choe Hwan, chief of the public security division at the Seoul District Prosecutor's Office, told reporters that for the sake of maintaining social order, violence should in no way be tolerated, even though it occurs within the legislature.

In that sense, he said, there will be no differences in legal application for those who have recently committed violence in the Assembly in connection with the ruling party's unilateral passage of the 1986 budget bill.

Initially, Democratic Justice Party officials called for punishment of those aides of NKDP lawmakers who have manhandled Democratic Justice Party lawmakers or damaged Assembly facilities.

At the request of the prosecution, Seoul police began to collect evidence including TV video tapes recording the violent acts.

The police also were prepared to question officials of the National Assembly secretariat and security guards to gain more information about those involved in the violence.

According to prosecution sources, the video tapes show that about 60 NKDP legislators and their secretaries manhandled DJP lawmakers or damaged Assembly facilities in the night of Nov. 30 and early morning of Dec. 2 over budget bill proceedings.

Should the NKDP legislators refuse to be questioned by authorities in the long run, the sources said, the prosecution might be forced to invoke investigative power to probe them. On Sept. 18, the prosecution invoked investigative power to question two NKDP lawmakers, Pak Chan-chong and Cho Sun-hyong, accused of inciting campus unrest.

In a special meeting, key NKDP postholders decided that they would not comply with prosecution's plan to investigate the violence. Instead, they denounced the DJP for having the prosecution begin the probe.

Prosecution sources said that a fullfledged probe into NKDP legislators may be launched after the current regular three-month parliamentary session winds up on Dec. 18.

Nonetheless, the investigation of opposition lawmakers' aides will be continuing, they said.

The NKDP legislators had occupied many conference halls of the Assembly to keep the ruling party legislators from passing the national budget bill through a plenary session.

Many of the opposition lawmakers and their aides forced open the door of a parliamentary conference hall where the ruling party lawmakers had passed the budget bill in a unilateral action. The opposition party members are also blamed for roughing up the floor leader of the ruling party and chairman of the Budget Settlement Committee by grasping their collars. The committee chairman is from the DJP.

#### Summons 'Unlikely' During Session

SK062345 Seoul THE KOREA TIMES in English 8 Dec 85 p 1

[Text] No police summoning is eyed for opposition NDP lawmakers and their aides suspected of violence before the current National Assembly session winds up on Dec. 18, a high-ranking prosecution source said yesterday.

"In consideration of the fact that the Assembly is now in session, we have no reasons for a hasty investigation," said Choe Sang-hyop, chief of the public security division of the Prosecutor General's Office.

Meanwhile, it was learned that the list of 18 people to face investigation includes two high NDP post-holders.

Vice-president No Sung-hwan and floor leader Kim Tong-yong are on the list of NDP lawmakers who allegedly harassed key DJP lawmakers, grasping them by the collar, in their infuriation over the unilateral blitz passage of the 1986 budget bill by the ruling camp.

Other lawmakers also on the list, numbering nine besides the two, are Reps. Yi Chol; Chang Ku-uk; Kim Hyong-nae; Sin Ki-ha; Sin Sun-pom; Kim Yong-bae; Kim Tae-yong; Kim Chong-su and Choe Nak-do.

The remaining seven people subject to probe are five aides of NDP lawmakers and two NDP members.

They are said to have "committed violence" on ruling party legislators, deterring them from entering the chamber of the Budget-Settlement Committee to vote on the budget bill at night on Nov. 30.

In part of the ongoing basic investigation, police conducted an on-the-spot inspection of the National Assembly building yesterday afternoon, where some furniture was allegedly damaged in the disturbances.

Police also heard testimonies from alleged victims and witnesses, mainly officials at the National Assembly secretariat and guards.

A police source said that stern legal action seems inevitable against the two NDP members who lied about their identification to enter the building.

[THE KOREA HERALD in its 8 December frontpage report on possible NKDP summons by the police reports as follows: "Police are considering issuing summonses to 11 New Korea Democratic Party (NKDP) lawmakers for their suspected involvement in the recent violence at the National Assembly.

["A police source said yesterday that the summonses would be sent out after Dec. 18, when the legislature ends its three-month regular session.

["Five NKDP legislators' aides and two other party members are also in the list of those who will be questioned on the violence, according to the source."

["Should the opposition party members involved refuse to undergo questioning in person, he [a police officer] said, the prosecution might invoke investigative power to probe them. (Key NKDP post-holders Friday decided not to comply with any investigation by law-enforcing officers.)

["Police sources said that heavier punishment may be sought against two NKDP affiliates who had entered the Assembly chamber after disguising their identity."]

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S. KOREA/POLITICS AND GOVERNMENT

DJP STRESSES SAFEGUARDS AGAINST ASSEMBLY VIOLENCE

SK070001 Seoul THE KOREA HERALD in English 7 Dec 85 p 1

[Text] The Democratic Justice Party called upon the New Korea Democratic Party yesterday to cooperate in working out systematic safeguards against violence in the National Assembly building.

Referring to Monday's disturbance which followed the passage of the budget bill, DJP Secretary-General Chong Su-tok said, "It is not a matter to solve by political means."

Saying, "It concerns the maintenance of law and order in the Assembly," Chong stressed that systematic and procedural measures should be taken to prevent similar occurrences.

He said the opposition NKDP does not seem to be taking a serious view of the violent incident, and that it should review the situation from a long-range perspective and cooperate in modifying procedures of Assembly operation.

Making an issue of Monday's unlawful acts of violence by the secretaries of some NKDP lawmakers might stand in the way of dialogue between rival parties, he acknowledged.

The DJP secretary-general said, "However, attempts by third parties to restrict the activities of lawmakers must not be allowed."

Looking back on the manner in which the ruling party approved the budget bill on its own, Chong said, "It is most desirable to solve problems through negotiation. If a problem is insolvable by negotiation, there is no other method than to exercise the principle of majority rule."

DJP spokesman Sim Myong-po, meanwhile, said that the government party has nothing to do with the ongoing investigation into Monday's violence.

"The probe is a kind of expression of the government's will to root out violence that undermines democracy."

He added that he understands that the prosecution might start looking into the violence by opposition lawmakers after the current regular Assembly session ends Dec. 18. "This issue and dialogue with the opposition party are two different things," the spokesman said.

S. KOREA/POLITICS AND GOVERNMENT

NO TAE-U, KNP PRESIDENT DISCUSS POLITICAL STALEMATE

SK060104 Seoul THE KOREA TIMES in English 6 Dec 85 p 4

[Text] Ruling Democratic Justice Party chairman No Tae-u and Rep. Yi Man-sop, president of the minor opposition Korea National Party, agreed yesterday to cope with the current political stalemate through dialogue and negotiations.

The KNP president visited the DJP headquarters at 10:45 a.m. in his self-assumed mission to foment an atmosphere for dialogue between the DJP and the main opposition New Korea Democratic Party.

Earlier, the KNP president visited the NDP headquarters but he could not meet NDP president Yi Min-u because he had left his office for a previous appointment.

"I urged the DJP chairman to refrain from further provoking opposition parties because it will not be helpful for the efforts to settle the current political impasse," the KNP president told reporters at the DJP press room.

He said he told No that he wanted the DJP to deal with some urgent bills and motions during the remaining days of the session in cooperation with the opposition parties after normalizing the stalled National Assembly.

Concerning the meeting of the three parties' representatives, Yi said he did not mention it specifically but he explained to No about Wednesday's meeting with House speaker Yi Chae-hyung.

No was learned to have told the KNP president that he would do his best to improve the situation because the ruling party is responsible for leading the nation's political life.

The KNP head requested the House speaker to arrange a meeting of the three parties' representatives when the former visited Yi Wednesday.

Responding to the request, the House speaker reportedly asked the KNP head to have meetings with the two rival parties' representatives beforehand, according to the KNP president.

Asked what DJP acts he thinks would "further provoke the opposition parties," the KNP head referred to the ruling party's reported intention to seek punishment of "some aides of NDP lawmakers who had used physical force to prevent DJP lawmakers from entering the Assembly hall."

As for the NDP he met secretary general Yu Che-yon and spokesman Hong Sa-tok. He told them to refrain from "rushing to the streets," referring to the NDP's plan to stage a nation-wide campaign to get signatures from people for constitutional revision.

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## S. KOREA/POLITICS AND GOVERNMENT

### SNU TO EXPEL STUDENTS CONVICTED IN DJP INTRUSION

SK060144 Seoul THE KOREA HERALD in English 6 Dec 85 p 8

[Text] Seoul National University [SNU] is likely to expel all of the students who will be jailed on conviction for raid into the ruling Democratic Justice Party training center last month, university officials said yesterday.

Less severe academic sanctions such as temporary suspension from school, on the other hand, may be meted out against those who will draw suspended jail terms, according to the officials.

They said the school administration has not yet reached any consensus about the handling of the 66 SNU students who charged into the DJP's central political training center on the eastern outskirts of Seoul on Nov. 18. The students are among the total of 191 activists who were involved in the incident.

But the officials expected that school action against the students will be taken in line with a set of regulations the university has laid out for handling problem students early last month.

Under the regulations, militant students who draw jail terms and are considered "impossible in being guided" will be ousted from the university. Those who spearhead class boycotts or violent sit-in protests which result in considerable damages to school property face the same punishment of expulsion, even though they are not behind the bar.

Definite or indefinite suspension from classes wait the students who play active roles in boycotting classes or rallies inside the campus.

The state-run university makes it a rule to issue severe warnings against those who are tried by summary courts.

It is apparent that the university will expel 10 out of the 66 students who had been labeled by police as "key actors" in the DJP intrusion, said the officials. Included was Yi Chin-sun, 22, a sociology major and chairwoman of the university's coeds council.



The officials said that there is no way of knowing how many of the activists will actually be convicted.

In the wake of the incident, the government has professed a tougher stand on violent student activism.

Thirteen other universities whose students took part in the DJP office break-in are also yet to work out guidelines for handling them.

There is a possibility, however, that most of the universities will come up with academic sanctions similar to those meted out against SNU activities, Education Ministry sources said.

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S. KOREA/POLITICS AND GOVERNMENT

'GUIDANCE' FOR 3,000 STUDENT ACTIVISTS PLANNED

SK060136 Seoul THE KOREA HERALD in English 6 Dec 85 p 8

[Text] The government plans to give intensive guidance to about 3,000 student activists during the coming winter vacation period.

The plan was discussed in a meeting held yesterday to discuss campus issues, including the student counseling during the winter vacation which starts next week. The meeting was attended by Minister of Education Sun Chae-sok and relevant officials from government offices.

Informed ministry sources said that the participants also analyzed the campus disturbances which occurred this year and discussed ways to prevent college students from resorting to collective activities and guaranteeing maximum academic opportunities for innocent students.

Under this plan, unauthorized "rural enlightenment activities" by student activists during the vacation season will be discouraged.

The restriction is apparently designed out of the fear that the students may try to ideologically indoctrinate rural populace.

The sources said that the government has a list of 3,000 college students who have played positive roles at various on and off campus rallies and demonstrations.

The participants shared the view that increased guidance and counseling for students will contribute to reducing the number of seizures of public facilities which were rather common recently.

Meanwhile, the ministry instructed colleges and universities to work out measures against unauthorized on-campus student group activities during the vacation period.

The ministry made the instruction at the information that some students of Seoul National University, Yonsei and other major universities plan to hold special ideology-related programs during the vacation period at their schools.

The ministry advised the colleges and universities to seek cooperation from parents in the guidance of students.

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S. KOREA/POLITICS AND GOVERNMENT

DJP UNILATERALLY PASSES BUDGET BILL AT ASSEMBLY

SK020336 Seoul Domestic Service in Korean 2300 GMT 1 Dec 85

[Text] This morning, at the National Assembly, the DJP unilaterally passed the budget bill for next year. Reporter Pak Won-hung will give you a detailed report on the National Assembly activity:

[Begin recording] As you have just said, this morning, after twists and turns, the budget bill for next year was passed unilaterally by the DJP.

At around 0706 this morning, in Room 146 at the National Assembly Building, the DJP finalized and passed the budget bill for next year, set at 13,805 billion won, only after slashing 14.8 billion won from the government's original budget of 13,815 billion won [figures as heard].

Although the ruling and opposition parties tried to negotiate the normalization of the National Assembly throughout last night, and into the morning hours, the legal deadline for the handling of next year's budget bill, the rival parties could not reach an agreement.

With the failure to produce any agreement, the DJP opened a meeting of the National Assembly Budget Settlement Committee chaired by the chairman of the Budget Settlement Committee, Kim Chong-ho, at about 0705 this morning in Room 146 at the National Assembly Hall, upon hearing the news that the New Korea Democratic Party [NKDP] had refused to accept the DJP proposal for negotiations at its meeting of assemblymen. The DJP passed next year's budget bill during the Budget Settlement Committee meeting this morning.

Following this, Choe Yong-chol, vice speaker of the National Assembly, called a plenary session to order at the same place; the session quickly passed 8 bills, including next year's budget bill and tax bills pertaining to the budget bill, as a package, and then adjourned the meeting.

Upon hearing the news of the DJP's unilateral passage of next year's budget, members of the NKDP who were in the National Assembly building rushed to Room 146 at about 0710 this morning and heaped abuse on and manhandled the chairman of the National Assembly Budget Settlement Committee, Kim Chong-ho, and the DJP floor leader, Yi Se-ki.

In the meantime, at about 0430 this morning, DJP floor leader Yi Se-ki tried to negotiate with the floor leaders of the opposition parties concerning the establishment of a special committee to deal with political bills within this year, confining the tax reduction bill to discussion only, and concerning the passage of the budget bill as proposed by the government, without reductions in the proposed budget, and, after that, to finalize such issues at a meeting of the leaders of the three major parties at about 0520 this morning, all to no avail. He said that the NKDP had belatedly refused this idea, proposing instead to shelve the tax reduction bill and slash the budget bill.

He continued: We did our best until the last moment, and we reached a point where we found it impossible to endure any longer.

After unilateral passage of the budget bill this morning, DJP spokesman Sim Myong-po issued a statement denouncing the NKDP for refusing to make mutual concessions and to negotiate.

In the statement, spokesman Sim Myong-po said that it is very regrettable that the DJP had no choice but to unilaterally pass the budget bill for the next year and bills pertaining to it, an inevitable measure the DJP was forced to take in order to avoid a disgraceful event expected to be caused by the clashes should the party force its way into a review of the budget bill at a time when the opposition side was trying to impede and deter all parliamentary activities by occupying and, staging sit-ins at, all conference rooms in the National Assembly hall.

He also said that it must be made clear that there have been no legal defects whatsoever in the course of handling these bills.

Spokesman Sim continued: We patiently continued conducting dialogue with the opposition side until the last moment before the legal deadline for the passage of next year's budget bill, when the bill absolutely had to be passed as part of an effort to normalize the activity of the National Assembly, as has been observed at home and abroad. However, the dialogue came to a dead end as a result of the opposition side's unilateral and impudent demands, made despite our concessions concerning the political bills, and our efforts to normalize the activity of the National Assembly seem to have been a futile effort like trying to fish on top of a tree. [end recording]

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## S. KOREA/POLITICS AND GOVERNMENT

### BRIEFS

**SAMMINTU STUDENT ACTIVIST RELEASED**--A Sammintu student activist was released Saturday, 6 months after his arrest, in a decision by the Seoul District Criminal Court under the law providing that the detention of a criminal suspect cannot exceed a period of 6 months before a district court's ruling, it was learned yesterday. With the decision, Chang Hyong-chin, 20, a Yonsei University junior majoring in geology, will stand trial without physical detention. Chang was arrested on 31 May on suspicion of having led illegal anti-government street protests, including one in support of the May seizure of the USIS library. He had been affiliated with a student committee for the "punishment of those responsible for the Kwangju incident" under the organization of the Sammintu committee. A single-member panel of the court held three hearings on Chang before his case was sent to a three-judge panel to be tried with the cases of his colleague Sammintu members. Senior judge Yi Kon-ung said that he decided to release Chang, judging that it is impossible for him to rule on his case before the end of this month when the law-provided 6-month detention period expires. The prosecution did not file complaints against the court decision. [Text] [Seoul THE KOREA TIMES in English 26 Nov 85 p 8] /9604

**COMPROMISE ON BUDGET COMMITTEE**--Seoul, 22 Nov (YONHAP)--The National Assembly's Budget Settlement Committee resumed activity Friday, following a 4-day stalemate, after the ruling and opposition parties reached a compromise on the issue of Prime Minister No Sin-yong's attendance at the committee meeting. The special budget committee had been stalled since Monday, as the result of a sharp confrontation between the ruling and opposition parties over the issue of the prime minister's attendance. In a floor leaders' meeting presided over by House speaker Yi Chae-hyong in Yi's office, the floor leaders of the ruling and opposition parties agreed that the budget committee meeting should resume on Friday afternoon and that the speaker should do his best to persuade the prime minister to attend the meeting, Choe Myong-hon, Yi's chief secretary, told reporters. The floor leaders also agreed to extend the committee's questioning session 3 days, until Monday. The ruling Democratic Justice Party (DJP) and the opposition New Korea Democratic Party (NKDP) held a series of meetings Thursday night and Friday morning, in an effort to reach a breakthrough. [Text] [Seoul YONHAP in English 0827 GMT 22 Nov 85] /9604

KWANGJU CASE--The government maintained close contact with the U.S. Embassy throughout the students' Monday occupation of a U.S. cultural center in Kwangju, a government official said yesterday. Immediately after the incident, the government was informed about it by the embassy and concerning officials of both sides exchanged opinions on ways to restore order at the center, said the official. He also said the government was notified beforehand by the U.S. Embassy of its decision to ask police to enter the center building to end the occupation. [Text] [Seoul THE KOREA HERALD in English 4 Dec 85 p 4] /9604

POSSIBLE INDICTMENT OF FIVE DISSIDENTS--The five dissidents arrested for attending and inciting a student protest at Seoul National University were transferred yesterday to the prosecution for possible indictment. The five, including Kim Pyong-o, vice secretary-general of the Council for the Promotion of Democracy, are charged with having agitated the campus rally. They also included two other CPD officials, an official of the opposition New Korea Democratic Party and a member of the Democratic Constitution Research Institute. A court last Saturday turned down an application asking it to review the legality of their arrest. Of the five, Yi Chong-nam, president of the labor affairs committee of the CPD, was released on 29 November because of a worsening physical condition. He is now in the hospital. [Text] [Seoul THE KOREA TIMES in English 3 Dec 85 p 8] /9604

NKDP ENDS HUNGER STRIKE--Seoul, 3 Dec (KYODO)--National Assembly members of the New Korea Democratic Party (NKDP), the largest opposition force, ended a hunger strike Tuesday but vowed to continue their struggle to topple the government of President Chon Tu-hwan unless his Democratic Justice Party (DJP) apologizes for railroading the 1986 budget through the National Assembly Monday. In a statement, NKDP President Yie Min-u said the party will further push its campaign for constitutional amendment so that in future South Korea's president is elected directly through popular vote. Chon was elected head of the government indirectly by an electoral college under the present constitution. The ruling party passed the 1986 budget and eight bills in a two-minute session Monday without the presence of NKDP National Assembly members. The action triggered the hunger strike by the opposition members in the National Assembly. [Text] [Tokyo KYODO in English 0707 GMT 3 Dec 85] /9604

EX-PRIME MINISTER--Seoul, 2 Dec (OANA-YONHAP)--South Korean President Chon Tu-hwan Monday appointed Chong Il-kwon, former prime minister, to the Advisory Council on State Affairs (ACSA). The appointment brings to 27 the number of ACSA members. Choe Kyu-ha, who served as president of Korea from 1979-80 is the chairman of the ACSA. On Monday afternoon, Chon is scheduled to award Chong a letter of commission. Chong served as prime minister from 1964-70 and as speaker of the National Assembly from 1973-79. [Text] [Seoul YONHAP in English 0210 GMT 2 Dec 85] /9604

INDICTMENT OF 70 MAY BE SPARED--About 70 students out of the 191 who raided the political training center of the ruling Democratic Justice Party may be spared from indictment, it was learned yesterday.

Prosecution sources said they found out that many of the students came to be involved in the raid without correct knowledge of what it was when they were requested to join in. The sources said nine students are being sought by the investigation authorities as they were found to have been involved in the initial stage of planning the raid on the DJP facility. The arrested students were sent to four detention facilities yesterday for close investigation for indictment. Those to be indicted are liable to face charges of property damage, arson, and trespassing. It was learned that prosecutors in charge will come to the detention facilities for the convenience of carrying on the investigation of the students. [Text] [Seoul THE KOREA HERALD in English 30 Nov 85 p 8] /9604

STUDENT ACTIVISTS INDICTED--Seoul, 28 Nov (YONHAP)--The Seoul district prosecutor's office Thursday indicted 15 student activists from seven Korean universities in connection with the seizure of the office of the American Chamber of Commerce here in early November. The students were charged with violence and attempted arson. On 4 November, the students intruded into the Amcham office, located in the Chosun Hotel protesting what they called "U.S. pressure on Korea to open its markets." The students staged a 2-hour sit-in in the office before they were overpowered by police and taken into custody. In a final report on their investigation, Seoul police said that the students were members of the so-called "Student Committee for Struggle for National Independence." The police said that their protest against the mounting U.S. pressure on Korea to liberalize its markets was a "tactic to gain public support for their anti-government struggle." Ku Pon-ung, a senior at Seoul National University and chairman of the university's "Committee for the Protection of Democracy," led the occupation and the subsequent sit-in, according to the report. [Text] [Seoul YONHAP in English 0747 GMT 28 Nov 85] /9604

ANTI-GOVERNMENT RALLY--Seoul, 21 Nov (KYODO)--About 2,000 students of 10 universities, including Seoul National University, Yonsei University and Ewha Women's University, held a rally on the campus of Seoul National University Thursday, calling for the overthrow of the government and constitutional amendments. The rally was also attended by four representatives of the dissident Council for the Promotion of Democracy cochaired by opposition leaders Kim Tae-chung and Kim Yong-sam. The four told the students there was a need for constitutional amendments. After the rally, the four were taken to police for questioning. [Text] [Tokyo KYODO in English 1250 GMT 21 Nov 85] /9604

REQUEST FOR RELEASE OF DISSIDENTS--Defense attorneys for Kim Pyong-o and four other opposition figures arrested for allegedly inciting campus unrest filed a request for the release of their clients under the habeas corpus system. The lawyers submitted the request to the Seoul District Criminal Court yesterday morning. Kim, 50, vice secretary of the Council for Promotion of Democracy, and four others were arrested last Saturday on charges of instigating a campus disturbance by attending an anti-government rally at Seoul National University 21 November. [Text] [Seoul THE KOREA HERALD in English 29 Nov 85 p 8] /9604

NKDP NONPARLIAMENTARY STRUGGLE--Yi Min-u, president of the New Korea Democratic Party, said yesterday that his party will set out "nonparliamentary" struggle for the revision of the Constitution. Yi said the party will launch the struggle by forming special committees for constitutional revision at the party's local chapters. The opposition party will launch "unlimited struggle," possibly employing "extreme means" to reach the goal of revising the basic law, Yi said. In a press conference, Yi harshly rebuked the ruling Democratic Justice Party for having unilaterally passed the budget and other bills. The DJP action is "void" because it failed to meet the minimum procedural requirements as stipulated in the National Assembly Law, Yi asserted. Yi said the NKDP has, at the moment, no intention of resuming dialogue with the DJP. "Who would trust (the DJP) when they get things done in a fraudulent manner?" said Yi. Yi said, "Now I solemnly declare that I and the party will begin the struggle to have the basic law rewritten." [Text]  
[Seoul THE KOREA HERALD in English 3 Dec 85 p 1] /9604

52 UNDERGROUND STUDENT GROUPS--A total of 52 underground student organizations have been engaged in anti-government activities at 18 universities in Seoul alone, the Seoul Metropolitan Police Headquarters said yesterday. All but one, named "the countermeasure committee against suppression on democratic movements of the masses," were organized during the second semester of this year, according to the MPH findings. They included eight unauthorized groups established by Seoul National University students, five by Korea University students and four by Songgyungwan University and Sogang University students respectively. Also among them are three groups each belonging to Yonsei, Kyonghui, Chungang, Sungjon, Tongguk, and Hankuk University of Foreign Studies, the police said. Universities where two underground student groups have been active include Ewha Women's, Hongik, Tanguk, Sukmyong Women's, and Hanyang. Each of the universities has in common a "committee" struggling for the revision of the present constitution. Most of the student organizations aim at what they call the protection of the people's fundamental rights and the establishment of a democracy and a self-reliant national economy. [Text]  
[Seoul THE KOREA TIMES in English 27 Nov 85 p 8] /9604

KIM YONG-SAM REMARKS ON JSP CONTACTS--On 25 November, Kim Yong-sam, cochairman of the Council for the Promotion of Democracy [CPD], referring to the need for political exchanges between the New Korea Democratic Party [NKDP] and the Japan Socialist Party, said: The NKDP's contacts with the Japanese opposition party are necessary for the normalization of the situation on the Korean peninsula. The NKDP's contacts with Japan's opposition party are based on the same logic as the present government's efforts in seeking an improvement in relations with the Soviet Union Communist China, and other communist countries; they do not attach any conditions that these countries should renounce communism. Stating this at a ceremony marking the 5th anniversary of the founding of the North Kyongsang provincial and Taegu city branch of the Democratic Alpine Club held in Taegu, Kim Yong-sam called for those attending to further struggle for democracy. He said: All democratic personages should struggle with courage and unity against the acts of arresting and suppressing democratic personages, including Kim Pyong-o, deputy secretary-general of the CPD. [Text] [Seoul HANGUK ILBO in Korean 26 Nov 85 p 3] /9604



AIRPORTS HEIGHTEN SECURITY--International airports and seaports here are keeping a close watch on foreigners entering the country, upon information of possible entry by international terrorists. The nation's largest gateway, Kimpo Airport, in cooperation with pertinent organizations, strengthened its entry security by deploying 10 more security guards in and outside the ground facility yesterday, officials said. The recent alert came in accordance with information from Interpol that two Arabs might smuggle into the country to trigger incidents, primarily aimed at U.S. facilities here. "We are looking at passports and visas of inbound passengers more thoroughly to find the terrorists who are said to have Moroccan passports," said a senior security officer. Many of the Moroccan passports, issued before 1981, are learned to be fakes, he said quoting an intelligence report. He said, however, that the two Arabs are just two of 529 black-listed foreigners for whom airports and seaports were ordered to be on the lookout. He said, "We are doing our utmost efforts to prevent possible entry by international terrorists." [Text] [Seoul THE KOREA TIMES in English 26 Nov 85 p 8] /9604

NKDP RESOLVED NOT TO GIVE UP PARLIAMENT--The opposition NDP held a brief ceremony yesterday at party headquarters upon ending its five-day sit-in, including a one-day hunger strike, in protest against the ruling DJP's unilateral passage of the budget bill. Party President Yi Min-u said in a short address: "We've confirmed that the people supported our unified struggle with applause." "We will soon consolidate our line of battle for the struggle again," Yi said, adding that "the NDP, however, will never give up the parliament under any circumstances." Following Vice President Yang Sun-chik, the NDP lawmakers chanted "Long Live the Republic of Korea" three times. Then floor leader Kim Tong-yong officially announced the termination of the sit-in protest. Earlier, the NDP held a caucus at the National Assembly, ending the one-day hunger strike at the Assembly main chamber at 8:00 a.m. Before the NDP lawmakers left for party headquarters, they chanted slogans in front of the main entrance to the Assembly. All the lawmakers wore sashes across their shoulders. "No More Military Dictatorships," one of them read. [Text] [Seoul THE KOREA TIMES in English 4 Dec 85 p 4 SK] /6091

CHON ON SOCIAL STABILITY, SECURITY--President Chon Tu-hwan yesterday called for the elimination of antistate violent acts from the society. "In view of the stark reality we are now facing, the strengthening of national security and social stability are the foremost tasks to be done," Chon said. Accordingly, antistate criminal and violent acts should be dealt with sternly with a view to protecting constitutional politics, the President said. Meeting a group of 34 chiefs of the courts over lunch at Chongwadae, the Chief Executive emphasized that democracy is the rule of law. In this connection, the nation's democracy can make further development when the respect for and the authority of law will be established. Chief Justice Yi Tae-hung was present. Those who enact laws and execute them should take the lead in abiding by laws, President Chon said. "Various lawsuits connected with daily lives of the general public should be dealt with swiftly in such a way as to promote their interests," he said. The President then asked senior judges to make efforts to have the people promote their trust in the court. [Text] [Seoul THE KOREA HERALD in English 10 Dec 85 p 1 SK] /6091

EWHA STUDENT LEADER GIVEN JAIL TERM--A Seoul district court panel yesterday gave a one-and-a-half-year jail term to Miss Han Sin-cha, president of the Ewha Women's University student council, on the charge of having violated the law governing rallies and demonstrations. The sentence was suspended for three years. Miss Han, a senior majoring in German literature, was arrested for having led several on-campus disturbances during the first semester this year. At an earlier trial, the prosecution had demanded that she be given a three-year prison term. [Text] [Seoul THE KOREA TIMES in English 10 Dec 85 p 1 SK] /6091

CSO: 4100/49

S. KOREA/MILITARY AFFAIRS

ARMED FORCES HOLD YEAR-END STRATEGY MEETINGS

SK050849 Seoul YONHAP in English 0836 GMT 5 Dec 85

[Text] Seoul, Dec. 5 (YONHAP)--South Korea's three armed services held their respective year-end strategic meetings here, in an effort to work out basic military policies for next year.

Gen. Chung Ho-yong, Army chief of staff, presided over a meeting the Army's major commanders Thursday morning at the Army Headquarters here.

The planned policies involve the maximization of the establishment of a military information support system, the completion of the Army's combat preparedness and preparation for the defense of rear areas.

Adm. Choe Sang-hwa, chief of naval operations, presided over the Navy's year-end meeting of top commanding admirals.

He urged the participants to make every effort to establish naval power, with the firm conviction of gaining ultimate victory, in 1986.

At the Air Force Headquarters, Gen. Kim In-ki, Air Force chief of staff, and other major commanders formulated tactics and strategies to counter possible attacks by North Korea, which could invade South Korea with MiG-23s and AN-2s, and with chemical, biological or radiological warfare.

Kim told the participants that the Air Force will continue to reinforce its military strength, in an effort to maintain perfect combat readiness, with the conviction of gaining certain victory next year.

The three armed services also evaluated their individual military project performances in 1985.

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## S. KOREA/ECONOMY

### KOREA TIMES VIEWS ECONOMIC PROSPECTS FOR 1986

SK050220 Seoul THE KOREA TIMES in English 5 Dec 85 p 5

[Editorial: "Next Year's Economic Outlook"]

[Text] Several research institutes at home and abroad appear to be in unison in forecasting that the world economy will be unable to pull itself out of the mire of a low growth rate and consequently world trade growth would remain dull in 1986.

The Korea Development Institute has predicted that the world's economic growth would drop to 2.8 percent next year from the 2.9 percent estimated for this year, while the Korea Institute for Economics and Technology's analysis is that next year's global economy will grow by about 3 percent, as compared with 2.7 percent presumed for this year.

However, leading economic institutes in the United States and Japan have generally seen gloomier prospects, namely the economic growth of advanced countries would slow down to around 2.5 percent from this year's 2.8 percent.

Based on these forecasts, the Economic Planning Board, representing government quarters, has presumed that world economic growth would only be 2.7 percent in the coming year, while the global trade growth rate would drop to 4 percent, a mere half of the 8 percent registered last year.

More recently, an economic institute attached to the Federation of Korean Industries forecast that the nation's NDP growth would rise slightly to the 5.5-6.5 percent level, assuming that next year's manufacturing output would grow by 6.7 percent as compared with this year's estimated 3.2-3.5 percent.

Drawing public concern is the government's recent draft of the 1986 economic management plan, which projects 7 percent GNP growth, a balanced current account with regard to the international balance of payments and limiting the wholesale price increase rate to 2.5 percent.

One noteworthy aspect of the government projection is that our economic environment would slightly improve, on the assumption that next year's exports and domestic demand would increase, compared with this year.

In this regard, the nation's economy is expected to recover next year by successfully absorbing inflationary pressures, while production costs fall, encouraged by weak international interest rates and crude oil prices.

In sum, economic policy directions for next year ought to be focused on how to invigorate exports and investment in productive industries through concerted efforts among the enterprises concerned, people at large and the government, to attain a better economy in the coming year.

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S. KOREA/ECONOMY

GOVERNMENT URGED TO CREATE MORE JOB OPPORTUNITIES

SK102332 Seoul THE KOREA HERALD in English 11 Dec 85 p 1

[Text] The Democratic Justice Party urged the government yesterday to give priority to increasing job opportunities through sustained economic growth next year.

To this end, exports should be promoted and measures should be taken to invigorate the domestic economy, the DJP asserted.

The ruling party made these and other recommendations in an economic policy consultation meeting with the government.

Party economic policy-makers told economic ministers that it is unpredictable whether or not the nation will be able to achieve the \$31 billion export goal next year.

They also pointed out that the issue of profitability should be considered in seeking to expand exports.

Measures should be taken to help increase the international competitiveness of the nation's export businesses, and efforts should be made to replace nonessential imports with domestically produced goods, they claimed.

"The government plans to achieve a 7 percent economic growth next year. However, it will be difficult to realize it without taking measures to help increase exports and invigorate the domestic economy," they said.

The party economic specialists called upon the government to concentrate its efforts on fostering toy, leisure and sports businesses, because these industries can employ many people.

To help the nation make an optimal economic growth next year, the government is encouraged to seek the revamping of pertinent statutes, they said.

The relevant system should be revamped to induce people to make more investments in businesses, they noted.

Touching on the ongoing Korea-U.S. negotiations for the protection of American intellectual property rights, they stressed that steps should be worked out to promote domestic businesses concerned.

S. KOREA/ECONOMY

GOVERNMENT ADVISED TO FOCUS ON PROMOTING ECONOMIC GROWTH

SK090910 Seoul YONHAP in English 0855 GMT 9 Dec 85

[Text] Seoul, Dec. 9 (OANA-YONHAP)--The Korean Chamber of Commerce and Industry (KCCI) Monday recommended that the government change the focus of its economic policies for next year from maintaining stability to promoting growth.

In a package recommendation for the government's 1986 economic operation program, the KCCI said that the government should implement various short- and long-term measures next year, emphasizing the expansion of facility investments, the enhancement of high technologies and the strengthening of the structural efficiency of Korean industries.

Through the government's stability-oriented policies, Korea has become stable enough to withstand an inflation rate of about 5-6 percent, the KCCI said. Therefore, the government should take sweeping measures to expand facility investments, especially in export industries.

The KCCI suggested that the government generously extend credits to businesses and that it continue to implement the extraordinary tax deduction system for facility investments until the end of 1987. The deduction system went into effect last June and is scheduled to expire at the end of June 1986.

Because the prices of major raw materials on overseas markets are expected to continue to decline or to remain stable for the next several years, the proposed expansion of facility investments would help Korea to launch another economic takeoff in the latter half of this decade, the KCCI asserted in the recommendation.

To improve Korea's international payments position, the government should develop import substitute industries and should reduce its foreign exchange expenditures for unnecessary, non-essential and wasteful projects. These measures would be more effective than import restrictions or the deferred implementation of liberalization measures, which could cause trade friction with other countries, according to the KCCI recommendation.

Other highlights of the recommendation were balanced regional development through increased infrastructural investments, effective countermeasures against unemployment and the liquidation of financially insolvent firms on a gradual and selective basis, in order to alleviate shock waves affecting the Korean economy.

S. KOREA/ECONOMY

EDITORIAL ON EMPLOYMENT SALARY FREEZE

SK072333 Seoul THE KOREA TIMES in English 8 Dec 85 p 4

[Editorial: "Bid for Wage Freeze"]

[Text] Voices are being heard steadily on the necessity of seeking an effective employment promotion scheme, not only by the relevant government authorities but also by industrial circles at large, in view of the presently hard-pressed national economic situation.

Considering the grave nature of the unemployment problem facing society nowadays, any piecemeal remedy for it could hardly be fruitful, and entrepreneurs in various sectors are urged to fully participate in a comprehensive scheme to effectively enhance employment.

It is seemingly against this backdrop that a call has been raised by the Korean Employers Federation (KEF) to the effect that the starting pay of college graduates should not rise next year, as a means of coping with the economic difficulties.

It is understood that the move is based on the basic position of those running businesses to maintain as many employees as possible, with limited accounts for employment available under the adverse business conditions.

There seems to be little reason to oppose such countermeasures sought by industrialists on the grounds that the unemployment problem should be overcome in such a way as to ease the plight of unemployment among college graduates to the maximum possible extent.

Notwithstanding, entrepreneurs are advised not to fail to give incentives to those newcomers fresh from the university campus by convincing them of the future business prospects that should well encourage them to accept the presently insufficient remuneration in anticipation of due compensation at a later date.

To elaborate, management should be ready to share any difficult business conditions fairly with its employees by tightening its belt all the more, awaiting the day of national economic recovery.

All in all, entrepreneurs are called upon to give their employees, including college graduates to join them, the impression that "we are all in the same boat."

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S. KOREA/ECONOMY

REPORT DISCUSSES ECONOMIC PROSPECTS FOR 1986

SK270229 Seoul YONHAP in English 0152 GMT 27 Nov 85

[Text] Seoul, 27 Nov (OANA-YONHAP)--The Korean Economic Research Institute (KERI) predicted Wednesday that South Korea's gross national product (GNP) will grow by 5.5-6.5 percent, in real terms, next year.

In a report on Korea's economic prospects for 1986, the institute also forecast that the nation's industrial output in the manufacturing sector will increase by 6.7 percent. The report said that the industrial production increase rate will be slightly more than this year's expected growth rate of 4 percent, but far below the level of 16 percent recorded in 1983 and 1984.

By sector, industrial output in the metal assembly, machinery and equipment fields will rise by 6.2 percent in 1986, according to the report. It also projected that the 1986 growth rate in the industrial production of foodstuffs and cigarettes will reach 6.8 percent. The output of paper products in 1986 will grow by 3.2 percent, compared to a 1.6 percent rise this year, according to the KERI report.

The institute predicted that next year's output in the textile, clothing and leather sectors will increase by 2.1 percent and that output in the wood products sector will decline by 6.7 percent. The report forecast a GNP growth rate of 5 percent this year, below the nation's original projection of 7 percent.

The institute, which is affiliated with the Federation of Korean Industries (FKI), recommended that the government lower bank interest rates and that it revamp the existing tax system, in order to invigorate the Korean economy. The report said that prices could be stabilized and that the current account could be improved by lowering interest rates.

It also suggested that the government work out measures to increase household savings, in order to promote the sound growth of the economy.

In addition, the KERI said that tax-exempt benefits should be given for long-term savings of up to U.S.\$11,000 per year.

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CSO: 4100/46

ROK SEEKS 7 PERCENT ECONOMIC GROWTH IN 1986

SK030745 Seoul YONHAP in English 0710 GMT 3 Dec 85

[Text] Seoul, 3 Dec (OANA-YONHAP)--The South Korean Government has set national goals of achieving a 7 percent economic growth rate next year and of improving Korea's balance of international payments, the Economic Planning Board (EPB) reported Tuesday. The projected 7 percent growth rate is 0.5 percentage points under this year's target of 7.5 percent.

In draft of an economic operation program for 1986, the EPB predicted that exports and domestic demand will increase, thereby improving Korea's overall economic condition next year. In view of the economic hardships that Korea has faced, both at home and abroad, the government decided to set a lower growth rate goal for next year, an EPB official explained.

In its proposed program, the EPB forecast that Korea's exports will grow by an average of 10 percent next year, due primarily to the rising value of the Korean won currency against the U.S. dollar and to Korea's continuous efforts to improve the export climate.

The continuing appreciation of the Japanese yen against the U.S. dollar and other major international currencies is expected to boost Korea's unit export prices by 3 percent. Therefore, exports will grow by 7 percent, in real terms, next year, according to the EPB.

The government will do its best next year to balance Korea's international payments position. Even if Korea records deficits in the balance, those deficits will be held to below \$300 million.

Wholesale prices next year will rise by 2.5 percent, and consumer prices will increase by 4 percent--one percentage point higher than this year. The major factors behind the anticipated rise in prices will be increases in the won-dollar and won-yen exchange rates, and growing budgetary expenditures, the official said.

One of the ways the government will invigorate the economy will be through budgetary expenditures in the construction sector, which will increase by 18 percent next year, the official added.

Under the 1986 economic operation program, the EPB envisages an increase of one trillion won (U.S.\$1.1 billion; one dollar is worth about 890 won) in facility investments in export industries. The small- and medium-sized auto, auto parts and machinery manufacturing firms will receive a large portion of the increased investment expenditures.

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## S. KOREA/SCIENCE AND TECHNOLOGY

### ROK SEEKS INCREASED TECHNOLOGICAL TIES WITH LATIN AMERICA

SK040053 Seoul THE KOREA HERALD in English 4 Dec 85 p 8

[Text] The Ministry of Science and Technology plans to strengthen scientific and technological cooperation with Central and South American countries beginning next year. The countries with which the ministry will seek bilateral cooperation include Brazil, Peru and Panama, ministry officials said.

In the projected cooperation efforts, the ministry hopes to exchange researchers and to promote joint projects between academic and research organizations of mutual countries.

With Brazil, the ministry is to promote mutual visits of science and technology ministers and hopes to make a cooperative agreement in the fields of electronics and exploration of natural resources, the officials said.

Korea and Brazil, both belonging to the Newly Industrialized Countries (NICS), have already agreed to exchange scientists and experts in some fields of mutual interests. In the agreement, the officials said, joint projects will be conducted between research institutes of both countries in the fields of computer communications, fine ceramics, bioengineering and space and aeronautic engineering.

The Brazilian partners for the joint projects will include a Brazil national technology research institute (IPI), Sao Paulo University and a research institute affiliated with a Rio de Janeiro university, officials said.

The cooperation with Peru will be promoted in the fields of digital switching system, optical fiber communication, chemical analysis, agriculture and exploration of natural resources, they said. Technologies for exploitation of mineral resources, communication system, computer engineering and scientific agriculture will be exchanged through joint works between research institutes of Korea and Peru, officials said.

For the expansion of scientific and technological cooperations with those countries, a Korean mission headed by Pak Song-tok, assistant minister of research and development planning department of the ministry, toured the countries from 20 October to 11 December. Through the tour, Korea has exchanged memorandums with those countries, they said.

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CSO: 4100/46

BRIEFS

USE OF NUCLEAR POWER PLANTS--Seoul, 26 Nov (OANA-YONHAP)--The South Korean Government plans to increase the use of nuclear power plants in order to reduce the cost of electricity, the Energy and Resources Ministry reported Tuesday. To boost the utilization rate of nuclear power plants from 70 percent now to 75 percent by 1991, the government plans to reduce the annual regular renovation period for nuclear plants from 72 days now to 60 days by 1991. The number of nuclear-related accidents is expected to drop from eight to four per annum. The government also plans to extend the working period of nuclear fuel from 12 months now to 15-18 months by 1991. The projected 5 percent rise in the utilization rate of nuclear power plants will cost the ministry an estimated 47 billion won (U.S.\$52.8 million; one dollar is worth 890 won) in new investment. However, the rise is also expected to reduce the cost of power generation by about 100 billion won (\$112.3 million) and to save 613.2 billion won (\$689 million) that would otherwise be invested in new power generation facilities, a ministry official said. The projected increased utilization of the nuclear plants will also save Korea about 4.7 million barrels of oil, which would otherwise be spent on oil-burning power plants, the official added. [Text] [Seoul YONHAP in English 0257 GMT 26 Nov 85] /9604

CSO: 4100/46

S. KOREA/KOREANS IN JAPAN

ROK, JAPAN TO DISCUSS STATUS OF KOREAN DESCENDANTS IN JAPAN

SK100351 Seoul YONHAP in English 0300 GMT 10 Dec 85

[Text] Seoul, Dec. 10 (OANA-YONHAP)--South Korea and Japan will discuss the status of third-generation Koreans living in Japan and their descendants Friday and Saturday in Tokyo, the Korean Foreign Affairs Ministry said Tuesday.

The focus of the two-day meeting, which will be the first of its kind between the Korean and Japanese Governments, will be ways to secure residence status, including denizenship, for third-generation Koreans and their descendants.

In 1965, when they signed a treaty dealing with the legal status and treatment of Korean residents in Japan, Korea and Japan decided to hold such a meeting.

Last August, Seoul and Tokyo agreed to hold a conference to discuss the matter before the end of this year, a ministry official said.

The binational treaty defines third-generation Korean residents as the descendants of Korean residents who were born after Jan. 16, 1971. Under that definition, third-generation Korean residents have not yet been born.

An eight-member Korean delegation, led by So Pyong-yong, deputy director general of the Foreign Affairs Ministry's Asian Affairs Bureau, is scheduled to leave Wednesday for the meeting in Tokyo.

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CSO: 4100/49

S. KOREA/FOREIGN RELATIONS

FOREIGN MINISTER COMMENTS ON GULF WAR

GF291111 Manama WAKH in Arabic 0545 GMT 29 Nov 85

[Text] Manama, 29 Nov (WAKH)--South Korean Foreign Minister Yi Won-kyong has described his talks with Bahraini Foreign Minister Shaykh Muhammad ibn Mubarak al-Khalifah--and especially their exchange of views on developments in the Gulf war and international matters--as useful and constructive.

In a statement published today in the Bahraini newspaper AKHBAR AL-KHALIJ Yi Won-kyong said that the continuation and escalation of the Gulf war and its threat to shipping in the area have caused concern to the ROK as all its oil imports come from this region.

He said that stability in the region is a matter of growing interest to his country in view of joint economic interests with the Gulf Arab states in all areas. He denied that his country has offered any help to Iran since the outbreak of the war and accused DPRK of doing so.

The ROK foreign minister noted that the number of Korean workers in the GCC states has decreased from 100,000 2 years ago to 70,000 workers this year due to the extraordinary economic situation in the area countries, a situation that has led to freezing a number of construction projects.

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CSO: 4100/46

## S. KOREA/FOREIGN RELATIONS

### AD HOC COMMITTEE SET UP TO SEEK ILO MEMBERSHIP

SK290323 Seoul YONHAP in English 0309 GMT 29 Nov 85

[Text] Seoul, 29 Nov (OANA-YONHAP)--The South Korean Government established an ad hoc committee that will work on gaining regular membership in the International Labor Organization (ILO) next year. The special committee, which comprises officials from the ministries of foreign affairs and labor, and other government authorities, will conduct various activities to secure the support of existing ILO member-countries for Korea's admission, a Labor Ministry official said.

In addition, the government plans to strengthen its visit and invitation diplomacy through the committee, the ministry official said.

The government has also ordered Korean diplomatic missions overseas to try to create support for Korea's entry into the ILO among middle-of-the-road countries and in nations that support Pyongyang, the official added.

Its decision to join the ILO was based on the need to eliminate misconceptions that Korea is not qualified for ILO membership because of its labor laws and that the labor conditions in Korea are below international standards.

The Korean Government is expected to apply for membership in the ILO Secretariat early next year. To gain membership in the UN agency, it will have to obtain the consent of more than two-thirds of the 150-member-nations in a voting session at a General Assembly meeting. Among the 150 member-nations, it is estimated that about 86 countries support the admission of Korea, according to the Labor Ministry.

In the past, both Seoul and Pyongyang, as well as the Vatican City and Bermuda, have attended the General Assembly conferences in the capacity of observers.

Korea's labor minister, Cho Chol-kwon, has already met this year with 24 foreign government representatives, 1[?] executive ILO officials and 12 trade union leaders around the world to discuss Korea's entry into the ILO, the Labor Ministry official said.

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## S. KOREA/FOREIGN RELATIONS

### 8TH LABOR MEETING OF THE FOUR ASIAN COUNTRIES HELD

#### Union Leaders Protest Protectionism

SK270101 Seoul THE KOREA HERALD in English 27 Nov 85 p 8

[Text] Labor union leaders from Korea, Japan, Hong Kong and Taiwan unanimously adopted a nine-point resolution opposing the growing U.S. protectionism, including the Jenkins bill and the Thurmond bill, Kim Tong-in, president of the Federation of Korean Trade Unions (FKTU), said yesterday.

Kim said that Hong Kong, Japan and Taiwan agreed to support the Korean stand strongly opposing the U.S. plan to remove Korea from the list of GSP (generalized systems of preference) beneficiaries. He was answering questions at a news conference held at Kimpo International Airport shortly after he returned from the 8th labor meeting of the four Asian countries held in Hong Kong during 20-23 November.

Labor union leaders from the four Asian countries tentatively agreed to hold a meeting with labor union representatives from the five ASEAN member countries to discuss joint countermeasures against protectionism by advanced countries, Kim revealed.

The delegates decided to send the resolution to President Ronald Reagan, the American Federation of Labor-Congress of Industrial Organization (AFL-CIO) and other international labor union organizations to remind them of Asian nations' strong voice against protectionism, Kim said.

Thirteen delegates from the four countries attended the annual labor meeting, which was initiated in 1978.

#### Increase of Labor Diplomacy Urged

SK270615 Seoul YONHAP in English 0414 GMT 27 Nov 85

[Text] Seoul, 27 Nov (OANA-YONHAP)--South Korea will have to step up its labor diplomacy in order to break through the growing protectionist barriers in advanced countries, Kim Tong-in, president of the Federation of Korea Trade Unions, said here Tuesday.



To remove the distrust held by people in advanced countries toward Korea's labor policy, Korea will have to consider changing its labor policy, Kim told reporters here. He returned home Tuesday from a meeting in Hong Kong of trade union leaders from Japan, Taiwan, Hong Kong and Korea.

In the annual four-nation conference, the union leaders adopted a resolution opposing the recent passage of the Jenkins and Thurmond bills by the U.S. Congress. If enacted, the bills would cause thousands of people in those four countries to lose their jobs, the chairman said.

Another significant result of the Hong Kong meeting was the adoption of a joint statement opposing the U.S. plan to exclude South Korea from its generalized system of preferences (GSP) list, Kim added.

The U.S. effort to remove Korea from the list stems from its misunderstanding of Korea's labor policy, he said. "To correct the American misconception of our labor policy, our labor, management and government alike should do their utmost to improve our external image," Kim said.

During the Hong Kong meeting, the labor leaders also agreed to hold a joint conference with the labor union leaders of five ASEAN nations--Thailand, the Philippines, Malaysia, Singapore and Indonesia--to jointly cope with the growing trade protectionism in industrialized countries, he said.

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## S. KOREA/FOREIGN RELATIONS

### ROK SUPPORTS FOUNDING OF PALESTINIAN STATE

SK270212 Seoul YONHAP in English 0123 GMT 27 Nov 85

[Text] Manama, Bahrain, 26 Nov (OANA-YONHAP)--South Korean Foreign Minister Yi Won-kyong, who is now touring the Gulf region, said Tuesday that the Korean Government supports the establishment of a Palestinian state.

In an interview with Bahraini newspapers in this Bahraini capital, Yi said that all the legal rights of the Palestinian people, including the right of self-determination, should be respected. Israel should withdraw from the Arab territories that it has occupied since the 1967 Middle Eastern war, he added.

The Korean foreign minister also explained the results of his recent 10-day trip, in which he visited Oman, Kuwait and Bahrain.

Regarding ongoing conflicts in the Middle East, including the 5-year Iran-Iraq war, Yi said that the parties concerned should seek a peaceful resolution through direct dialogue and that such frictions threaten the security of the Gulf region and of the world as a whole.

The Korean minister said that Seoul places importance on its relations with the Gulf Cooperation Council (GCC), which comprises Saudi Arabia, Kuwait, Bahrain, Oman, Qatar and the United Arab Emirates (UAE). The Korean Government has resident missions in all six GCC nations.

Yi said he would welcome any investment from the Gulf nations and that the Korean Government is making every effort to induce such investments.

Earlier in the day, Yi paid a courtesy call on Crown Prince and Defense Minister Hamad at the Bahraini Government headquarters.

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S. KOREA/FOREIGN RELATIONS

ROK, KUWAIT ESTABLISH JOINT COOPERATION COMMITTEE

SK240710 Seoul YONHAP in English 0636 GMT 24 Nov 85

[Text] Kuwait, 24 Nov (OANA-YONHAP)-- South Korea and Kuwait agreed Saturday to establish a joint-committee to promote bilateral cooperation in the political, economic, trade, cultural and sports fields. The agreement was reached at a meeting held here between South Korean Foreign Minister Yi Won-kyong and his Kuwaiti counterpart Sheikh al-Sabah al-Ahmad al-Jabir.

They also agreed to establish a Kuwait resident embassy to South Korea in a near future and to implement regular exchanges of high-ranking Foreign Ministry officials.

Concrete arrangements for the establishment of the joint committee would be agreed upon through diplomatic channels, a Korean official said.

At the meeting Al-Sabah said that Kuwait would welcome the participation of Korean construction companies in his nation's various projects, including the second economic development project beginning in 1986. Al-Sabah also asked that South Korea, which has accumulated experience and technology in the economic projects, enter the Gulf Cooperation Council's (GCC's) free trade zone.

He hopes a Kuwaiti resident embassy to Korea will be established in 1986, he added.

The Korean minister expressed his thanks to the Kuwaiti Government for its assistance and cooperation with Korean firms operating here. Yi said he hopes that the two countries would maintain close cooperation.

The two foreign ministers expressed the hope that the problems on the Korean peninsula will be peacefully resolved through direct dialogue between the South Korea and North Korea.

The ministers also expressed the hope that the 5-year Gulf war between Iran and Iraq should be ended through direct negotiations between Tehran and Baghdad as soon as possible. Yi is scheduled to leave here for Bahrain on Sunday.

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## S. KOREA/FOREIGN RELATIONS

### BRIEFS

LAWMAKERS LEAVE FOR PACIFIC RIM CONFERENCE--A group of political and business figures left for Los Angeles yesterday to attend an international forum sponsored by the Center for a New Democracy, an organization supporting U.S. Sen. Gary Hart. Political figures are Reps. Yi Chong-chan and Chi Yon-tae of the ruling Democratic Justice Party, and Chong Hae-mun of the main opposition New Korea Democratic Party. Unification Minister Pak Tong-chin will leave today. Among business leaders are Cho Chung-kun, president of Korean Air; Kim Tok-chung, advisor to the Daewoo Group; and Chang Ik-yong, president of the Sokwang Co. They will attend the conference on transitions in the Pacific rim to be participated by representatives of 13 Pacific countries. The conference will be held until Dec. 8 under the theme of "leadership for the next 20 years." While in Los Angeles, they are expected to meet U.S. congressmen to explain Korea's position on the latest trade friction between Korea and the United States. Meanwhile, three other lawmakers left for Japan at the invitation of Japanese Prime Minister Yasuhiro Nakasone yesterday. [Text] [Seoul THE KOREA TIMES in English 5 Dec 85 p 4 SK] /6091

ISRAELI EMBASSY IN SEOUL STUDIED--The government is cautiously studying allowing the opening of an Israeli embassy in Seoul after a seven-year absence, it was learned yesterday. Foreign Ministry officials said that the study followed repeated Israeli expression of the hope to re-establish a chancery in Seoul. Some U.S. officials, such as Under-Secretary of State Michael Armacost, have also advised the government on the issue in favor of Israel, they said. Korea and Israel established diplomatic relations in 1962. [Text] [Seoul THE KOREA TIMES in English 7 Dec 85 p 1 SK] /6091

OPPOSITION TO JSP-NKDP EXCHANGE--Seoul, Dec. 7, KYODO--The South Korean Government Saturday expressed its opposition to an exchange between the No. 1 opposition parties of Japan and South Korea. In a letter received the same day by the New Korea Democratic Party (NKDP), Foreign Minister Yi Won-kyong said its exchange with the Japan Socialist Party (JSP) would not serve the national interest unless the JSP alters the section of its 1986 action policy pledging to deepen ties with North Korea, as well as South Korea. In response, NKDP President Yi Min-u said that his party would not allow the government to make such a judgment, and that the exchange is necessary to have the JSP amend its policy. The NKDP, which postponed a planned dispatch of its delegation to Japan last month, plans to realize it some time between December 18 and 31, the president said. [Text] [Tokyo KYODO in English 0633 GMT 7 Dec 85 OW] /6091

VICE FOREIGN MINISTER TO VISIT JAPAN--Seoul, Dec. 10 (OANA-YONHAP)--South Korea's Vice Foreign Minister Yi Sang-ok will visit Tokyo Dec. 19-22 for talks with Japanese Foreign Ministry officials, including his counterpart, Kensuke Yanagiya, the Korean Foreign Ministry announced Tuesday. Yi and Yanagiya are expected to discuss Korean-Japanese issues, including the matter of fingerprinting Korean residents in Japan and Korea's deficit in its trade with Japan. Yi is also scheduled to meet with Japanese Foreign Minister Shintaro Abe and Parliamentary Vice Foreign Minister Mayumi Moriyama. In the meetings, Yi is likely to stress that Tokyo's conciliatory approach toward Pyongyang could upset the balance of power on the Korean peninsula, Korean officials said. Yanagiya invited Yi to visit Tokyo in return for the visit to Seoul in October 1984 by Nobuo Matsunaga, who was then vice foreign minister. [Text] [Seoul YONHAP in English 0110 GMT 10 Dec 85 SK] /6091

ENVOYS NAMED--The government yesterday appointed Kim Chae-hun, ambassador to Costa Rica, to serve as ambassador to Peru, succeeding Yun Chan, it was announced. Yun was assigned to the Ministry of Foreign Affairs. In another reshuffle, Chu Tong-un, consul general in Toronto, was named ambassador to Trinidad and Tobago. Chu was replaced by Pak Song-taek, a presidential secretary for protocol affairs. A native of Chinju, Kyongsangnam-do, Amb Kim, 53, served in Mexico as counselor and in Brazil as minister before he was appointed as ambassador to Nicaragua in 1981. He studied the Spanish language at Hankuk University of Foreign Studies. Amb Chu, 56, studied law at Korea University and Georgetown University in the United States. A native of Seoul, he served as minister at the Korea Embassy in Zaire and France. Pak, 54, new consul general in Toronto, served in Australia and Kuwait as counselor. [Text] [Seoul THE KOREA HERALD in English 26 Nov 85 p 1] /9604

FOREIGN MINISTER RETURNS--Seoul, 28 Nov (YONHAP)--South Korea's Foreign Minister Yi Won-kyong returned home Thursday from a 2-week tour of Oman, Kuwait and Bahrain. Upon arrival at Kimpo International Airport, Yi told reporters that his visits to the three Arab countries provided a chance to further cement cooperative relations between Korea and the Gulf Council members. During the tour, Yi discussed with leaders of those countries economic cooperation and other matters of mutual concern. In Oman, Yi attended the national day celebrations marking the anniversary of the inauguration of Sultan Qabus ibn Sa'id al Bu Sa'id. He was the first Korean foreign minister to visit Oman. [Text] [Seoul YONHAP in English 1245 GMT 28 Nov 85] /9604

ROK-U.S. POLICY TALKS--Seoul, 3 Dec (OANA-YONHAP)--The fifth South Korean-U.S. policy planning talks will be held in Washington Wednesday and Thursday the Foreign Ministry here announced Tuesday. Korean and U.S. officials plan to discuss recent international and regional issues, including developments on the Korean peninsula. Han U-sok, the Foreign Ministry's first assistant minister, will lead a three-member Korean delegation. The U.S. delegates will be headed by Peter Rodman, director of the State Department's Policy Planning Council. [Text] [Seoul YONHAP in English 0224 GMT 3 Dec 85] /9604

JAPANESE CULTURE AGENCY HEAD--Seoul, 2 Dec (OANA-YONHAP)--Shumon Miura, director-general of Japan's Agency for Cultural Affairs, and his wife arrived here Monday for a 5-day visit at the invitation of Yi Won-hong, Korean culture and information minister. During his stay here, Miura and Yi are expected to discuss ways to promote cultural exchanges between their two countries. Miura also plans to visit the national theater and the Sejong cultural center in Seoul, and the ancient city of Kyongju. Both Miura and his wife, Ayako Sono, are prominent novelists in Japan. [Text] [Seoul YONHAP in English 0644 GMT 2 Dec 85] /9604

3 CREDENTIALS--Seoul, 29 Nov (YONHAP)--South Korean President Chon Tu-hwan Friday received credentials from three new ambassadors to Korea. The new ambassadors are Vves Vercauteren of Belgium, Anibal Enrique Quinonez Abarca of Honduras and Ya'agov Cohen of Israel. [Text] [Seoul YONHAP in English 0702 GMT 29 Nov 85] /9604

TALKS WITH EC NATIONS--Seoul, 29 Nov (OANA-YONHAP)--South Korea will hold separate talks with three of the nine member-nations of the European Community (EC) next month, in an effort to expand economic, scientific and technological cooperation, a Foreign Ministry official said Friday. The fourth annual Korean-French economic talks are slated for 2-3 December in Paris, the 12th Korean-West German trade talks will be held 5-6 December in Bonn, and the second Korean-Italian trade talks are scheduled for 9-11 December in Rome. The Korean side is expected to ask the three EC countries to cooperate more actively with Korea in the capital area by making more direct and indirect investments in Korea and by extending the period of benefits under the generalized system of preferences, in order to invigorate the Korean economy, the official said. Korea also plans to seek ways to enter the markets of other countries through joint projects with the three EC countries. Yu Chong-ha, assistant foreign minister for economic affairs, will lead the Korean delegation to the talks. [Text] [Seoul YONHAP in English 0721 GMT 29 Nov 85] /9604

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S. KOREA/FOREIGN TRADE

U.S. EXTENDS ROK'S 1985 NORTH PACIFIC OCEAN FISHING QUOTA

SK050240 Seoul YONHAP in English 0230 GMT 5 Dec 85

[Text] Washington, Dec. 4 (OANA-YONHAP)--Kang Yong-sik, administrator of the Korean National Fisheries Administration (NFA), said Wednesday that the U.S. State Department has extended Korea's 1985 North Pacific Ocean fishing quota by 2,900 tons.

The extension brings Korea's 1985 quota for the region to 250,219 tons.

In a meeting with reporters, Kang attributed the allotment of the additional fishing quota to the great progress that Korea has made in the development of fisheries cooperation with the United States, including an increase in joint venture projects and the observance of fishing regulations in the North Pacific Ocean by Korean fishing vessels.

The Korean administrator, who arrived here Monday, has reportedly met with U.S. officials at the State Department and at the National Marine Fisheries Service, in an effort to gain a more favorable fishing quota for 1986.

Korea's North Pacific fishing quota for 1984 was 329,000 tons. In 1986, however, Korea's quota is expected to decrease sharply, as a result of the U.S. Government's intention to reduce the total fishing quota allotted to foreign countries from 1.23 million tons this year to 700,000 tons.

The president of the Korea Deep-Sea Fisheries Association, Hwang Chong-yon, is scheduled to attend the meeting of North Pacific Fisheries Management Council, scheduled for Dec. 9 in Anchorage, Alaska.

In the six-day meeting, Hwang will explain to U.S. officials the situation that Korea's deep-sea fishing industry faces and will ask them to give Korea favorable consideration in allocating next year's fishing quota.

The U.S. State Department and the National Marine Fisheries Service will set the 1986 fishing quota for foreign countries on the council's recommendation.

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S. KOREA/FOREIGN TRADE

DAILY CALLS FOR COUNTERMEASURES AGAINST PROTECTIONISM

SK050217 Seoul THE KOREA TIMES in English 5 Dec 85 p 4

[Editorial: "Impact of Textile Quota Bill"]

[Text] Although the outcome had been more or less anticipated, it is indeed perplexing to learn that the U.S. Congress has finally approved a controversial bill on harsh cutbacks in textile imports from Korea and a few other Asian countries, sending it to President Ronald Reagan despite his threats to veto it.

The conclusive vote taken on the bill in the House of Representatives Tuesday was short of the two-third majority needed to override a presidential veto, as was in the case of the Senate which had initiated the measure.

But, such a vote return does not afford us any comfort or relief in light of the intense protectionist mood prevailing over Capitol Hill, as underlined by the expediency of skipping the process of a Senate-House conference on differing bills in favor of adopting the harsher version.

Of course, we are more than anxious to see that President Reagan exercises his veto power against the legislation, as he has repeatedly vowed, notwithstanding political implications of the bill which has emerged as the first major trade measure approved by the Congress in a year of heightened concern over the textile issue.

Even if the bill is killed, it is feared to have lingering effects on making U.S. trade policy and its execution more stringent, especially in view of the crucial midterm elections due next year.

The Reagan administration has already begun to apply heavy pressure on its trading partners including Korea to open their markets wider for American goods, while building up barriers against imports on the strength of numerous anti-dumping suits and other charges filed by U.S. industries.

It is to be noted that the newly-adopted bill violates more than 30 international agreements, running squarely against the decades-long U.S. policy for free trade--and that at the expense of developing countries in Asia.



As has been previously stressed in this column, we should pool our resources and wisdom in taking astute countermeasures against the surging tide of protectionism, even while counting on the U.S. Administration's discreet action with regard to the trade bill at issue.

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S. KOREA/FOREIGN TRADE

SURVEY SHOWS MAJORITY OF KOREANS AGAINST IMPORTS LIBERALIZATION

SK220321 Seoul YONHAP in English 0246 GMT 22 Nov 85

[Text] Seoul, Nov. 22 (OANA-YONHAP)--More than eight out of 10 South Koreans believe that the further liberalization of imports would hurt the Korean economy, according to the results of a recent survey.

In a survey of 300 workers, farmers, students, businessmen, and housewives in Seoul and the surrounding area, the Seoul YMCA found that 80 percent of the respondents believe that the current import liberalization ratio is too high for the Korean economy to sustain.

Eighty-four percent said they would participate in a campaign against import liberalization, if such a campaign were launched.

South Korea's import liberalization ratio is now 87.8 percent and is expected to reach 91.6 percent by 1986, 93.6 percent by 1987 and 95.4 percent by 1988.

Workers and farmers gave the most negative responses to import liberalization; 84 percent of workers and 83 percent of farmers said that Korea's present liberalization ratio is too high.

Only 12 percent of the respondents said that import liberalization would not affect the Korean economy.

More than half (56 percent) of those surveyed cited the government's poor diplomatic capability and the heavy dependence of the Korean economy on the United States as factors behind the government's continuous acquiescence to U.S. demands that Korea open its domestic market.

Twenty-two percent said the acquiescence was intended to avoid possible retaliation through U.S. protectionism, and 13 percent said it stemmed from the overall global economic trend.

If the Korean Government opens the Korean market completely, nearly half (49 percent) of those surveyed said, that Korea's commodity markets, including electronics, textiles, chemicals and automobiles, would suffer the heaviest damage.

All of the farmers surveyed (28 percent of the total), however, said that the agricultural and livestock industries would be the primary victims of such a measure, reflecting their opposition to the importation of foreign agricultural and livestock products.

Fourteen percent predicted that the financial and insurance markets would suffer the most, and 8 percent said that the liberalization of the service industries, including movies, and the protection of intellectual property rights were the greatest threats.

Ninety percent of those surveyed expressed a negative attitude toward the free importation of agricultural and livestock products; 82 percent said that liberalization would destroy Korea's rural economy by rapidly bringing down domestic prices, and another 8 percent said that liberalization would threaten Korea's self-sufficiency for food in the long run.

Amid mounting pressure from foreign countries, led by the United States, on Korea to open its domestic market more widely, comprehensive import liberalization program featuring the removal of 603 more commodity items from the import embargo list between 1986 and 1988. [sentence as received]

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## S. KOREA/FOREIGN TRADE

### REPORTAGE ON TRADE FRICTION

#### Negotiations Begin

SK060316 Seoul YONHAP in English 0305 GMT 6 Dec 85

[Text] Seoul, Dec. 6 (OANA-YONHAP)--South Korea and the United States Friday opened negotiations in an effort to resolve their bilateral trade friction, caused in part by the persistent U.S. demand that Korea open its markets more widely.

Sandra Kristoff, assistant deputy of the U.S. trade representative, heads the five-member U.S. delegation to the talks. Her Korean counterpart is Kim Ki-hwan, director general of the International Economic Policy Council (IEPC), a subdivision of the Economic Planning Board.

High on the agenda is the extension or plans to rearrange the Generalized System of Preferences (GSP) for Korean exports to the United States, the opening of the Korean markets to U.S. products and the protection of foreign intellectual property rights, including copyrights and trademarks, an IEPC source said.

Protracted trade friction between Seoul and Washington would not benefit either country, the source said. Therefore, the Korean Government will try to reach a comprehensive compromise on the economic issues pending between the two countries during the bilateral negotiations, which will continue until Dec. 13, the source said.

With the arrival of the five U.S. trade negotiators on Thursday, Trade and Industry Minister Kum Chin-ho said that the Korean Government will revise or strengthen pertinent laws or will enact a special law as soon as possible, to meet the U.S. demand for the protection of foreign intellectual property rights, including copyrights and trademarks.

The United States has been urging Korea to protect various kinds of U.S. intellectual property rights, beginning next year.

Kum, however, expressed disapproval of the idea of enacting legislation in the near future for the protection of foreign material patents and computer software, saying that such measures should be taken on a step-by-step basis, through a prior notification system.

The cardinal principle of gradually opening Korea's markets will also be applied to the liberalization of Korea's service markets, including banking, shipping and insurance.

Regarding the opening of Korea's service markets, multilateral trade negotiation under the direction of the GATT (General Agreement on Tariffs and Trade) must be undertaken before Korea and the United States hold bilateral negotiations, Kum said at a breakfast meeting with about 200 Korean business leaders Thursday morning.

These basic positions will be put forward by the Korean delegation during the negotiations, the source said.

Last October, U.S. President Ronald Reagan invoked Section 301 of the U.S. Trade and Tariff Act and ordered the U.S. trade representative to investigate Korea's protection of U.S. intellectual property rights in its trade with the United States.

On Friday--the opening day of the bilateral negotiations, the Korean and U.S. negotiators will take up the issue of rearranging the list of Korean-made commodities that will be eligible for GSP benefits in the future.

The U.S. delegation is expected to reconfirm the U.S. position that Korea's market liberalization and its protection of foreign intellectual property rights should be reflected in the extension and rearrangement of the U.S. GSP for Korean commodities, the source said.

Acting on orders from President Reagan, the U.S. negotiators also plan to investigate Korea's trade practices, to determine whether or not Korea is unfair in its treatment of U.S. products sold here. Some of the negotiators will join a U.S. color TV anti-dumping investigation team scheduled to arrive here Monday, the source added.

#### Resolution of Disputes by Christmas

SK072339 Seoul THE KOREA TIMES in English 8 Dec 85 p 1

[Text] Korea and the United States will try to iron out before this Christmas their pending disputes over Korea's opening of insurance markets and intellectual property safeguards, highly-placed government sources here said yesterday.

The sources said a ranking government official would visit Washington before Dec. 25, clearing the hurdle of Section 301, which the Reagan administration invoked on Oct. 16 in connection with the Korea-U.S. dispute over the fields cited.

Under Section 301, the U.S. Administration would be able to take broad retaliatory measures against any Korean goods sold in the United States.

Four-day bilateral talks on the issues of Section 301, which open here tomorrow, will probably provide the momentum needed to crown the Christmas accord between Seoul and Washington, the sources said.

Led by Sandra Kristoff, a deputy assistant U.S. Trade Representative (USTR), the American team consists of nine officials from the offices concerned, including the Department of Commerce.

Paek Won-ku, a director general at the Finance Ministry, will lead a nine-member Korean insurance team. The insurance talks, according to the pertinent ministries, will take place tomorrow through Tuesday and those on intellectual property on Dec. 11-12.

Korea's intellectual property rights team will be headed by Pak Chong-pu, a director general at the International Economic Policy Council (IEPC).

The contents of the Korea-U.S. accord will be unveiled when a high-ranking Korean official visits Washington, according to the sources.

During the four-day talks in Seoul, the two sides will exchange positions and will try to narrow their differences.

Korean and U.S. officials had similar talks in Washington last month.

In principle, the United States called for the opening of Korean insurance markets immediately.

However, the Korean side has insisted that the nation's life insurance market should be opened to foreigners from next year on a gradual basis.

In particular, it should take a longer time to open the life insurance market, given the underdeveloped stage of the related Korean industries.

Korea will take a flexible position concerning the protection of intellectual property rights, which include copyrights, software and chemical substance patents.

The government's flexible steps to meet the American pressure have been under stiff opposition from various circles. Critics insist the market liberalization drive would endanger the survival of the national economy.

They further voice the fear that a Korean concession over Section 301 would not help ease U.S. pressure against Korean markets.

"If we give one to the United States, they will call for other ones until we collapse," they argue.

## Insurance Market Liberalization

SK100355 Seoul YONHAP in English 0245 GMT 10 Dec 85

[Text] Seoul, Dec. 10 (OANA-YONHAP)--Working-level officials from South Korea and the United States were at odds Monday over the U.S. demand that Korea liberalize its insurance market.

On the first day of the Korean-U.S. talks dealing with the bilateral trade friction, caused in part by the U.S. demand that Korea open its market more widely, the U.S. delegation called for the complete liberalization of Korea's life and non-life insurance industries next year, a conference source said Tuesday.

Korea's non-life insurance market should be opened to foreign firms by abolishing the domestic fire insurance industry's pool system next year, the source quoted the U.S. team as saying.

In response to the U.S. demand, the Korean side submitted a timetable for opening part of the fire insurance market to foreign firms next year, but said it would open the life insurance industry on a selective and gradual basis, due to the underdeveloped state of the industry.

On Tuesday, the Korean and U.S. officials are expected to focus on the protection of foreign intellectual property rights in Korea. The meeting will be held in the Economic Planning Board's conference room.

The U.S. negotiators are likely to demand that Korea take legislative measures to protect foreign intellectual property rights this year and that it implement those measures next year.

They are also expected to push Korea to include processed foods, chemical substances and medicines on the list of material patent rights to be protected here.

Regarding the protection of foreign copyrights, the U.S. side will probably call for the inclusion of motion pictures, record discs, video tapes and software in the category of foreign copyrights to be protected, the source said.

The U.S. side is also expected to urge Korea to join the Bern Convention and other international treaties for the protection of copyrights as soon as possible.

The Korean Government plans to revise and to strengthen pertinent domestic laws this year, in order to protect foreign copyrights for the reproduction, translation and publication of foreign books in Korea. It also plans to join the Bern Convention before 1988.

Considering the vulnerability of the domestic computer software and chemical substance industries, the government plans to protect patents in those areas on a gradual basis, the source said.

The bilateral trade talks are scheduled to conclude on Wednesday. Kim Ki-hwan, director general of the International Economic Policy Council, will go to Washington next week to meet with the U.S. trade representative. Kim is expected to reach a comprehensive compromise on the bilateral trade issues before Christmas, the source said.

#### Editorial on Talks

SK102346 Seoul THE KOREA TIMES in English 11 Dec 85 p 4

[Editorial: "Korea-U.S. Trade Talks"]

[Text] Inviting keen public concern are the ongoing Korea-U.S. negotiations in Seoul, with U.S. requests for opening Korea's insurance market to American firms and the protection of intellectual property rights.

The U.S. side seems to be overly hasty in pressuring Korea to accept its requests, while the Korean negotiators have appeared to be rather weak-kneed in the working-level talks.

The Seoul negotiations are being focused on the extent and timing of Korean measures to open the local markets in response to the American demand.

The United States is reportedly asking Korea to fully open its life and non-life insurance market during 1986 and to revise its relevant laws for the protection of intellectual property rights, including copyrights, software rights and chemical substance patents, next year to become effective immediately.

On the other hand, the Korean negotiators were said to be taking a position that, though the nation is ready to allow foreign firms to join in the existing life insurance pool within six months, beginning with the Seoul area, it needs a period of time to prepare for fully opening the life insurance market.

Concerning the intellectual property rights issue, the U.S. side has reportedly insisted that the copyrights should include the neighboring rights which concern films, songs and dramas, while Seoul is reluctant to include the neighboring rights in the category of copyrights.

Although the Korean side has disclosed that it may take legal steps to protect the narrowly defined copyrights beginning in 1986, it cited difficulties to accept American requests on the protection of its intellectual property rights as early as Washington proposed, in light of the still less competitive technical levels of Korean industries.

We are aware of the fact that the U.S. negotiators are acting on orders from U.S. President Ronald Reagan who invoked Section 301 of the U.S. Trade and Tariff Act, timed with a rising protectionist mood in the U.S. Congress.



However, it is regrettable to learn that another U.S. negotiation group, who visited here last week, virtually warned that Washington would reduce the number of Korean exports eligible to benefit from the U.S. Generalized System of Preferences (GSP), unless Seoul should accept the American request for opening the Korean markets.

We hope that all levels of the Korea-U.S. trade talks will come to terms in reciprocity for the benefit of both countries by fully understanding each other's situation in a "give-and-take" approach.

In this regard, our negotiators are called upon to take a positive attitude to persuade their U.S. counterparts to see the real picture of Korean industries, largely still in the infant stage.

#### Progress in Property Rights Talks

SK110758 Seoul YONHAP in English 0736 GMT 11 Dec 85

[Text] Seoul, Dec. 11 (OANA-YONHAP)--South Korean and U.S. working-level officials made progress here Tuesday in their negotiations over Korea's protection of foreign intellectual property rights, a conference source said Wednesday.

On the second day of the bilateral trade talks, which opened here Monday, the Korean delegation put forth a plan to formulate legislative measures for the protection of foreign copyrights and trademarks this year and to implement the measures next year.

The talks were scheduled after U.S. President Ronald Reagan invoked Section 301 of the U.S. Trade and Tariff Act in October.

The U.S. team, led by Sandra Kristoff, a deputy assistant of the U.S. Trade Representative Office, accepted most aspects of the Korean plan for the protection of foreign copyrights and trademarks. Korea reportedly plans to join international copyright conventions by 1988.

Korean and U.S. officials disagreed, however, on schedule and procedures for protecting computer software and chemical substance patents.

While the Korean side insisted that two or three years would be needed to prepare legislation protecting foreign computer software and substance patents, the U.S. team stuck to its position that Korea should begin implementing comprehensive protective measures this year, the source said.

In negotiations over the opening of Korea's life and non-life insurance markets, held earlier in the day, the U.S. team demanded that both markets be opened next year. The Korean negotiators, however, asserted that those two markets should be opened separately.

The Korean side reportedly said that Korea would allow one U.S. life insurance company to establish a branch office here next year and that U.S. access

to the Korean life insurance industry would be expanded on a year-by-year basis.

In the insurance talks Monday, however, the Korean side said that Korea would open part of its fire insurance market next year, but would open its life insurance market on a selective and gradual basis, due to the under-developed state of that industry.

Washington insists that copyrights should cover video tapes, records and films. Seoul, on the other hand, asserts that they should be treated separately.

Controversial matters, including the protection of patents for foreign materials, will be referred to policy consultations at a higher level, perhaps between Kim Ki-hwan, director general of the International Economic Policy Council, and Clayton Yeutter, chief of the U.S. Trade Representative Office.

Kim and Yeutter are expected to reach a "gentleman's accord" that would discourage the U.S. Government from initiating anti-Korean market actions. The agreement is expected to come after the Korean and U.S. negotiators resolve their pending trade issues stemming from Section 301 investigations of the Korean insurance market and of Korea's protection of foreign intellectual property rights, the source said.

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## S. KOREA/FOREIGN TRADE

### ROK SEES INCREASE IN FIVE MAJOR EXPORT ITEMS

SK110541 Seoul YONHAP in English 0402 GMT 11 Dec 85

[Text] Seoul, Dec. 11 (OANA-YONHAP)--Five of South Korea's 10 major export items--automobiles, footwear, plastics, electronics and toys and dolls--had recorded increased exports at the end of October from the corresponding period last year, the Commerce and Industry Ministry reported Wednesday.

The automobile industry recorded the highest increase rate (168.5 percent), exporting 596 million U.S. dollars worth of products in the first 10 months of 1985.

The ministry attributed the large rise in automobile exports to increased sales of Korean-made passenger cars in Canada, to the exportation for the first time of small-car engines to European countries, including Britain, and to the growing exportation of auto parts, such as radiators and engine valves, to the United States.

A ministry official said he expects exports of Korean-made automobiles and auto parts to continue to rise, due to anticipated increases in the exportation of sub-compact passenger cars and the purchase of auto parts by the "big three" U.S. automobile manufacturers.

The exportation of footwear reached 1.26 billion U.S. dollars in the first 10 months of this year, representing a 7.4 percent rise from the same period in 1984. The official attributed the increase in part to the growth of demand in the United States, resulting from the anticipation that the U.S. Government will impose restrictions on the importation of Korean products.

Boosted by increased exports to Southeast Asia, the exportation of plastic products reached 597 million dollars, representing a 4.7 percent increase, during the cited 10-month period.

The electronics industry recorded a 1.7 percent export growth rate (3.45 billion dollars) from last year. The exportation of computers and their components totaled 350 million dollars, representing an 85 percent increase, while that of color TV sets declined by 21.2 percent, due in part to the imposition of anti-dumping surcharges by the U.S. Government.

Exports of toys and dolls reached 480 million dollars, up 1.3 percent, because of increased exports of metal and plastic toys. The exportation of textile-made toys to the U.S. market declined, however, due to the low prices of exports from China and Taiwan.

Korea's five other major export items are textiles, steel and iron, metal products, electric products, and tires and tubes.

The exportation of textiles fell 5.72 billion dollars, down 3.7 percent, due to shrinking demand on the U.S. market.

Steel and iron exports decreased by 12 percent, to 2.2 billion dollars, but are expected to increase soon because of the appreciated value of the Japanese yen.

The exportation of metal products recorded the sharpest rate of decline, falling 17 percent, to 752 million dollars, mainly because of import restrictions by the U.S. Government.

Tire and tube exports totaled 341 million dollars, down 13 percent, due to reduced exports to Iran and to the encroachment of products from East-bloc nations, including Yugoslavia, on the U.S. market.

Electronics manufacturers exported 484 million dollars worth of products, down 2.7 percent. The setback was attributed to the sharp cutback in overseas construction projects.

Canada topped the list of growth rates for the importation of Korean-made products (33.4 percent), followed by Hong Kong (22.6 percent), the United States (1.1 percent) and Japan (0.5 percent).

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S. KOREA/FOREIGN TRADE

GOVERNMENT TO TAKE STEPS FOR FOREIGN COPYRIGHTS, TRADEMARKS

SK050230 Seoul YONHAP in English 0216 GMT 5 Dec 85

[Text] Seoul, Dec. 5 (OANA-YONHAP)--A ranking South Korean official said Thursday that his government will take measures as soon as possible to protect foreign copyrights and trademarks more effectively.

In a breakfast meeting with a group of Korean business leaders, Kum Chin-ho, trade and industry minister, said that the enactment of legislation protecting material patents and software will take time because it will require the close study of liberalization dates and procedures.

Measures to protect foreign material patents and computer software will be taken step by step, through a prior notification system, Kum said.

The U.S. Government has been pressuring Korea to take legislative measures to protect foreign intellectual property rights.

Regarding the mounting foreign pressure on Korea to open its service market, Kum said that his government's basic policy is to open that market through multilateral trade negotiations under the framework of the General Agreement on Tariffs and Trade (GATT).

In a recent GATT meeting in Geneva, many developing countries, including Korea, strongly called for the implementation of a formal first step to arrange a new round of global trade liberalization negotiations that would deal with the contentious matter of service trade, including banking, shipping and insurance.

GATT, a 92-member treaty organization established in 1947, has significant influence over the global trade system.

The Korean Government plans to settle the issue of opening the domestic insurance market to U.S. firms through bilateral negotiations with the U.S. Government.

As a whole, however, Korea's service markets will be liberalized on a gradual basis, through a prior notification system, Kum explained.

The Korean Government plans to intensify inspection procedures of imported goods and to make use of the anti-dumping tariff system as a supplementary device for implementing its import liberalization program.

In addition, the government will pursue a series of market-opening policies in the future to counter the growing trend toward trade protectionism, especially in advanced countries.

The government will also join the GATT anti-dumping convention at the earliest date possible and will file anti-dumping suits, if necessary, to cope with foreign import regulations, Kum said.

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CSO: 4100/49

S. KOREA/FOREIGN TRADE

TRADERS GROUP MAKES REPORT ON PROMOTION OF EXPORTS

SK040457 Seoul YONHAP in English 0257 GMT 4 Dec 85

[Text] Seoul, 4 Dec (OANA-YONHAP)--The Korean Traders Association (KTA) Wednesday called upon the government to simplify procedures for obtaining new business licenses, in order to expand and to consolidate the foundation of Korea's export industries.

In a six-point report on the promotion of exports for next year, the KTA recommended that the red tape involved in obtaining government permission to open new export industries be eliminated and that various forms of tax and financial support be extended to new export businesses.

To encourage the establishment of new export business, sweeping changes must be made in the current industrial disposition law, the environmental preservation law and other legal regulations, according to the KTA report.

The KTA also cited the growing need to lower the interest rates of domestic banks, in line with the downward trend of international interest rates, and to reduce corporate taxes on manufacturing businesses, in order to stimulate facility investments in export industries.

The report estimated that Korea's exports next year will reach U.S.\$32.8 billion, up 11.1 percent from this year, and that imports will exceed 33.2 billion dollars, a rise of 9.6 percent.

Regarding technology research and development, the KTA report said that Korea needs up-to-date metal molding technology and it called for the establishment of an all-industry metal molding technology research center.

It also said that tariff rates on foreign metal moldings that Korea cannot produce should be reduced from 20 percent now to 5 percent.

Other recommendations for the strengthening of Korea's export industries were the establishment of a compensation system for damages stemming from import liberalization and the enhancement of incentives for import substitute industries.

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S. KOREA/FOREIGN TRADE

NEAR-ZERO GROWTH IN ROK 1985 EXPORTS

SK010030 Seoul THE KOREA HERALD in English 1 Dec 85 p 3

[Article by staff reporter Pak Hang-hwan]

[Text] The results are not all in yet, but it is clear that 1985 will stand as a very "disappointing year" for Korea's trading houses with the nation's exports expected to record near-zero growth over last year.

The Ministry of Trade and Industry forecasts that this year's total merchandise exports will register a \$30 billion at best, slightly over last year's actual shipment of \$29.25 billion.

In a grave mood, Kim Chul-su, assistant minister of trade and industry, recently told newsmen that as of 25 November this year, the nation shipped an estimated \$25,239 million worth of commodities overseas, a rise of only 0.1 percent from the \$25,213 million posted in the same period in 1984.

"Although the nation's exports will surpass the mark of \$30 billion by the end of this year," analysts here say, "it will be the lowest growth rate in 25 years. The export growth rate over the past two decades has been a doubledigit figure almost every year."

They also said that the major causes of the exports slump are worldwide protectionism and slow investment activities.

Amid reports that the exports have been running out of steam since the start of this year, the government was forced to lower this year's export target to \$30 billion from the original projection of \$33 billion worth.

The revised export goal constitutes a slight rise from last year's \$29.25 billion, but is 10.5 percent less than the initial export goal. However, it remains to be seen whether even the readjusted export target can be met in consideration of a worsening international trade milieu, highlighted by intensified protectionist moves.



Assistant Minister Kim said, however, that encouragingly enough, the nation's exports began to pick up momentum in early November, brightening the prospects for attaining this year's readjusted export goal of \$30 billion.

The overseas shipment during the first 25 days in November totaled \$1,839 million, up 25.9 percent from the same period the previous year.

The rekindled exports were attributed to a few factors--the devaluation of the Korean won against the U.S. dollar to a realistic level, expanded export financing loans and simplified export procedures.

"In my personal view," Kim said, "the depreciation of the won against the greenback should have come a bit earlier."

The recent appreciation of the Japanese yen against the major hard currencies including the U.S. dollar will surely work to firm up the competitive power of Korean goods on the overseas market, he added.

Given this reality, he said, the nation's exports will gain ground for the remainder of the year.

Analysts said that the current dull export performance poses a "warning" to the nation's economic policymakers as over 50 percent of the economic growth in Korea, a resource-poor and trade-deficit-burdened country, depends directly on overseas exports.

The fact that the Korean economy must continue to grow is made all the more evident by the fact that the domestic labor force will increase by some 3 percent annually over the next 10 years, they state.

This means that every year a half million new workers will require jobs. To create such employment, the nation's GNP must grow by at least 7-8 percent annually, and exports are the key to that growth, they noted.

In the absence of vigorous export activity, the government lowered its GNP growth projections for 1985 to 5-6 percent from the original 7-8 percent estimate.

Korea's economy has grown with such rapidity over the past two decades that its export commodities have become the target of protectionism abroad. Many people, accordingly, have come to erroneously regard Korea as "another Japan."

"We are increasingly worried that market access may be restricted through procedural protectionism," analysts say, adding that the best example of this is the widespread use of antidumping petitions as a kind of trade harassment tactic.

Even when such petitions are eventually disallowed, the effect on ongoing business relations can suffer, they said.

"Korean commodities in foreign markets have been major targets recently of such antidumping charges," a Ministry of Trade and Industry official complained.

With only 30 days left before the end of the year, government and business concerns alike are making last-ditch efforts to increase exports. In fact, the nation's nine general trading companies (GTCS), generally known as big export boosters, have failed to pull the sagging exports out of the recession.

During the first 10 months of the year, the total shipment of the nine big firms stood as low as \$11,078 million worth, off 0.5 percent from the comparable figure of last year.

The nine GTCS are Hyundai Corp., Samsung Co., Daewoo Corp., Lucky-Goldstar International Corp., Sunkyong Ltd., Ssangyong Corp., Kukje-ICC Corp., Hyosung Corp., and Korea Trading International Inc.

Given this situation, the nine companies are already in a state of emergency. They are carefully looking at their daily export performance and augmenting their overseas sales network.

On the occasion of the 22nd Export Day, which falls on 30 November each year, the nine GTCS renewed their determination to spearhead the nation's export drive.

The Korea Trade Promotion Corp. (KOTRA) is also launching renewed efforts to spur exports. Its activities have been focused on the development of new export commodities catered to foreign consumers' tastes, and on strengthening overseas public relations pertaining to Korean-made products.

KOTRA has stationed members of its staff in major Seoul hotels for the convenience of foreign buyers.

By sector, the nation's electric and electronics industry are going at full steam in order to realize this year's export goal in this area of \$5 billion worth. To attain this target, their exports must expand at an average monthly rate of 30 percent--a pace which has not yet been achieved.

The textile industry has been put on the alert as the U.S. Government is moving to impose sweeping curbs on textile importation, chiefly from Korea, Taiwan and Hong Kong.

The nation's shipbuilding industry has perhaps been the hardest hit by export reversals. Top business managers of local shipbuilders have made frequent trips overseas in search of orders.

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CSO: 4100/46

S. KOREA/FOREIGN TRADE

ECONOMIC LEADER SPEAKS ON PROTECTIONISM IN SEMINAR

SK290143 Seoul YONHAP in English 0113 GMT 29 Nov 85

[Text] Toronto, 28 Nov (OANA-YONHAP)--Kim Ki-hwan, secretary general of Korea's International Economic Policy Council, has expressed grave concern over growing protectionism abroad, which he said is one factor dampening Korea's optimistic economic outlook.

Kim made the remarks in an economic seminar held behind closed doors in Toronto under the auspices of the Niagara Institute, one of Canada's most prominent economic institutions. Its members are business, labor and government leaders.

"Of particular concern to Korea in this regard has been the buildup of protectionist pressures in the United States, Korea's largest trading partner," he said in a speech concerning Korea's economic reforms and opportunities for strengthening the Korean-Canadian partnership.

He said that the protectionist fervor in some quarters of U.S. Congress has been evident in measures like the recently passed Jenkins-Thurmond Bill, which would roll back textile and footwear imports from Korea, Hong Kong and Taiwan, and the Trade Emergency and Export Promotion Act, which would slap a 25 percent surcharge on imports from Korea, Japan and several other countries. "If made law, these bills would be devastating not only to Korea's trade relations with the United States but also to its economic liberalization program."

Kim noted that America's strong tactics are causing resentment and are leading to cries for retaliatory action. Despite such growing opposition, however, the Korean Government is determined to move ahead with its plans to reduce import and investment restrictions and to protect intellectual property, he added.

As for the Korean-Canadian economic partnership, Kim said that Korea's progress will open up many new opportunities for trade between the two countries, expanding their healthy trade relationship. Last year, trade between Korea and Canada grew by 41 percent, exceeding U.S.\$1.5 billion, making Korea Canada's ninth largest trading partner.

"This trade relationship will certainly continue to grow, because the economies of Korea and Canada could hardly be more complementary," he said.

Canadian opportunities in Korea are not limited to raw materials, he said, and Korea's efforts to shift from traditional, labor-intensive products to more sophisticated, high value-added goods are opening up an important new market for high-technology equipment and the advanced capital goods in which Canadian firms are second to none.

He also urged Canada to make more investments in Korea, saying that Canadian investment in Korea has been surprisingly low, totaling only \$184,000 as of the end of last year, while Korean investments in Canada now total more than \$74 million, including an auto parts plant in Ontario.

Kim, who is now visiting Canada on a 4-day tour, is scheduled to participate in a series of meetings on 29 November in Ottawa with senior Canadian Government officials to discuss ways to promote bilateral economic cooperation, including the establishment of a Korean-Canadian economic cooperation body. He is planning to give a luncheon speech at Ottawa's Rideau Club for government, business and labor leaders on the same day.

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CSO: 4100/46

S. KOREA/FOREIGN TRADE

EXPORTS OF ELECTRONIC GOODS TO EC INCREASE

SK260246 Seoul YONHAP in English 0115 GMT 26 Nov 85

[Text] Seoul, 26 Nov (OANA-YONHAP)--South Korea's exportation of electronics products to the European Community (EC) has increased significantly in recent months, due to the growing strength of the major European currencies against the U.S. dollar.

Korea exported an average of U.S.\$30 million worth of electronic products per month to the EC in the first 6 months of this year. Its monthly electronics export volume reached \$50 million in the August-October period, a business source here said Tuesday.

The value of the major European currencies against the dollar rose by an average of 20 percent since the "group five" nations--the United States, Britain, West Germany, France and Japan--agreed last September in New York to rollback the value of the greenback.

The steady appreciation of the European currencies against the dollar has enhanced the pricing competitiveness of Korean-made electronics products on the European markets. This is the major factor behind the increase in Korean-made electronics exports to Europe, the source explained.

Korean-made electronics products are expected to become more competitive on European markets, because major Japanese firms plan to increase the export prices of their electronics products and equipment by an average of 15 to 20 percent, the source said.

Leading Korea's renewed export drive to the EC are video tape recorders, video tapes, color TV sets and car stereos.

Because Korean firms [import] most of their electronic parts from Japan, the continuing appreciation of the Japanese yen against the dollar has increased the production cost of Korean-made electronics products by about 7 percent, the source added.

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CSO: 4100/46

BRIEFS

JANUARY-OCTOBER EXPORTS--Seoul, Dec. 5 (OANA-YONHAP)--South Korea's exports in the first 10 months of this year totaled 23.4 billion U.S. dollars, down 1.5 percent from the same period of 1984, the Korea Trade Promotion Corp. (KOTRA) reported Thursday. In a report on the export trends of Korea's trade rivals in Asia, the KOTRA said that Korea's exports during the cited period increased more substantially than the exports of Hong Kong and Singapore. At the end of October, Hong Kong's exports had declined by 6.8 percent from the first 10 months of 1984, to 13.63 billion dollars, and Singapore's exports had fallen by 5.7 percent, to 19 billion dollars, according to the report. Among the Asian rival countries, Japan and Taiwan both outpaced Korea in terms of export growth, the KOTRA reported. In the January-October period, Japan's exports rose by 3.6 percent from 1984, to 145.1 billion dollars, while Taiwan's exports totaled 16.7 billion dollars, representing an 0.7 percent decrease from the corresponding period of last year, according to the report. Korea's import growth rate in the past 10 months was 2.2 percent, compared with declines of 8.6 percent, 8.3 percent and 6 percent in Taiwan, Singapore and Japan, respectively. Last year, Korea's exports totaled 29.25 billion dollars and its [imports] amounted to 30.64 billion dollars. [Text] [Seoul YONHAP in English 0124 GMT 5 Dec 85 SK] /6091

DEMAND THAT JAPAN FURTHER OPEN IMPORT MARKETS--The government will urge Japan to open more of its import markets to Korea and expand the generalized system of preferences (GSP) on imports from Korea in a trade conference opening in Tokyo on Dec. 16-17. Foreign Ministry officials said that Japan would also be asked to pull down various non-tariff barriers imposed on Korean goods during the two-day bilateral talks. The talks will be focused on reducing the huge trade imbalance between the two neighbors, amounting to some \$3 billion a year, in Japan's favor. The non-tariff barriers include import quotas, pre-import screening and administrative control on items imported from Korea, they said. [Text] [Seoul THE KOREA TIMES in English 5 Dec 85 p 1 SK] /6091

VETO ON U.S. PROTECTIONIST BILLS REAFFIRMED--Seoul, Dec. 6 (OANA-YONHAP)--U.S. trade representative Clayton Yeutter Thursday repeated the view that U.S. protectionist bills restricting the importation of textiles and other products will never be enacted because President Ronald Reagan is almost certain to veto them. Yeutter said that the Reagan administration will fight the

mounting protectionist trend in Congress, recognizing that U.S. trade policy is based on the free trade system. In a "World Net" satellite press conference involving journalists in South Korea, Japan, Britain, Italy and Belgium, Yeutter demanded that Korea, which he said is gaining an ever higher position in world trade, respond properly to the demands of the times by opening its markets. Yeutter said that the new round of global trade talks, agreed upon at the GATT (General Agreement on Tariffs and Trade), will deal comprehensively with the world-wide economic recession next year. During the GATT talks, the United States will pursue its special interests in insurance, shipping and finance, he said. Yeutter also said that the Reagan administration does not feel a need to intervene in the continuing appreciation of the Japanese yen against the U.S. dollar, because the phenomenon is expected to help ease the United States deficit in its trade with Japan, which has already exceeded 50 billion dollars this year. [Text] [Seoul YONHAP in English 0315 GMT 6 Dec 85 SK] /6091

ROK-THAILAND MEETING--Seoul, Dec. 9 (OANA-YONHAP)--South Korea and Thailand Monday opened their eighth trade ministers' talks here, in an effort to bolster bilateral economic cooperation. In the first session of the two-day meeting, Kum Chin-ho, Korean trade and industry minister, and Koson Kraircek, Thai commerce minister, studied how to promote bilateral trade through the exportation of certain items. They also discussed ways to remove non-tariff barriers, the establishment of joint ventures, the boosting of technical investments and how to guarantee the status of Korean firms in Thailand. The two ministers also considered ways to work together in the upcoming meeting of the new round of General Agreement on Tariffs and Trade (GATT) and the Multi-Fiber Arrangement (MFA), in order to cope with the growing trend toward protectionism in advanced nations. Korea's exports to Thailand in the first nine months of this year declined by 37.7 percent from the same period in 1984, to 116,687,000 U.S. dollars, while its import in the cited period fell by 6.7 percent, to 96,842,000 dollars. [Text] [Seoul YONHAP in English 0206 GMT 9 Dec 85 SK] /6091

EXPORT OF COMPONENT PARTS--President Chon Tu-hwan called upon local enterprises yesterday to give greater emphasis on the export of component parts as a means to cope effectively with the rising protectionism. Component parts are relatively free of protective measures in comparison with finished products, he noted. Chairing an inter-ministry session for the fostering of small-and-medium businesses at Chongwadae, President Chon asked the relevant ministries to increase support for the small businesses in order to help them develop component parts of better quality. The small enterprises were told to refrain from expanding their business in a reckless fashion. [Text] [Seoul THE KOREA TIMES in English 23 Nov 85 p 4] /9604

FOREIGN INVESTMENT FIGURES--Seoul, 23 Nov (YONHAP)--South Korean investments in foreign countries totaled U.S.\$459 million (437 cases) in the first 9 months of this year, the Finance Ministry reported Saturday. In a report to the National Assembly, the ministry said businesses invested \$436.33 million in 427 securities and loans and spent \$22.89 million in 10 pieces of real estate in the January-September period. The mining sector accounted for \$170.28 million of the total, followed by manufacturing (\$81.22 million), trade (\$63.78 million), forestry (\$60.45 million) and construction (\$35.59 million), according to the report. [Text] [Seoul YONHAP in English 0741 GMT 23 Nov 85] /9604

N. KOREA/POLITICS AND GOVERNMENT

NODONG SINMUN HAILS NATIONAL ATHLETIC MEETING

SK301039 Pyongyang KCNA in English 1017 GMT 30 Nov 85

/Text/ Pyongyang 30 Nov (KCNA)--Papers here today come out with editorials hailing the opening of a national meeting of sportsmen here today.

In an editorail titled "National Meeting of Sportsmen Which Will Mark an Epochal Turn in Implementing the Party's Sports Policy" NODONG SINMUN says:

The meeting will sum up proud successes achieved in the sports field under the tested leadership of the party in the period to this day from November 1969 when a similar meeting was held in the presence of the great leader comrade Kim Il-song and discuss militant tasks facing sportsmen to make a signal progresss in carrying out the party's sports policy as planned and intended by the party center.

It is a meeting of loyalty at which the sportsmen will resolve to further develop our sports by thoroughly implementing the party's sports policy under the leadership of our party center.

The national meeting of sportsmen will demonstrate the militant might of our sportsmen closely united around the party and the leader in one thought and one purpose and their firm determination and will to develop sports to a higher stage under the party's guidance. The meeting will encourage them to build up the unit of sportsmen to be a detachment of sportsmen boundlessly faithful to the party and effect a new leap in the development of sports technique in all events.

Referring to laudable achievements made in the sports field in the past, the paper notes:

The country's sports technique has developed rapidly, the honor of Korea of Chuce has been fully demonstrated and fine successes have been registered in different sports events. This is the shining fruition of our party's consistent policy of popularizing sports and making them part of everyday life.

The period up to this day from the 1970's has recorded a particularly proud page in the history of sports development in Korea.



The respected leader comrade Kim Il-song's idea of sports development and his exploits in this field have been steadfastly defended and brilliantly carried forward by our party. Dear comrade Kim Chong-il has propounded a correct idea, theory and policies for developing sports in conformity with the new historical requirements to dye the whole society on the Chuche idea, and has energetically directed the work for their implementation. At the same time, he has shown deep loving care to popularize sports and rear excellent sportsmen. As a result, our sports have been able to confidently advance along a most correct path in the complicated and difficult course of building and developing the Chuche-based sports.

Noting that our party demands that sports of the country be developed onto a higher level as early as possible and sports technique put on a world level in all events, the paper calls upon the entire party members, working people and sportsmen to heighten public concern in sports and turn out as one in the drive for carrying out the party's sports policy, deeply conscious of the party's demands.

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CSO: 4100/44

N. KOREA/POLITICS AND GOVERNMENT

BRIEFS

KIM IL-SONG ORDER AWARDED--Pyongyang 30 Nov (KCNA)--The Central People's Committee of the Democratic People's Republic of Korea on 21 November issued a decree on awarding "the Order of Kim Il-song" to the Central Committee of the General Federation of Trade Unions of Korea on the occasion of the 40th anniversary of the founding of the federation. The decree says that the General Federation of Trade Unions of Korea has made a great contribution to the efforts to accelerate the socialist construction of the country and accomplish the cause of modelling the whole of society on the Chuche idea by thoroughly establishing the ideological system of Chuche in the trade unions, uniting the trade union members rock-firm around our party, defending the party's line and policy at every stage of the revolution and organizing and mobilizing the broad masses in their implementation, and rendered services for the struggle to strengthen international solidarity for our revolution and achieve the independent and peaceful reunification of the country through the work with trade unions and labor organizations of foreign countries. /Text/ /Pyongyang KCNA in English 0421 GMT 30 Nov 85 SK/ 12228

CSO: 4100/44

N. KOREA/FOREIGN RELATIONS

THAI PARTY DELEGATION RECEIVED

Hwang Chang-yop Meets Delegation

SK290014 Pyongyang KCNA in English 1502 GMT 28 Nov 85

/Text/ Pyongyang 28 Nov (KCNA)--A delegation of the Democratic Party of Thailand headed by Snoh Phungjiam, deputy leader of the party, arrived in Pyongyang today by train for a visit to Korea upon the invitation of the Central Committee of the Workers' Party of Korea.

It was met at Pyongyang Railway Station by Hwang Chang-yop, secretary of the WPK Central Committee, and Kim Chae-pong, vice director of a department of the WPK Central Committee.

Party Held for Thai Group

SK290610 Pyongyang KCNA in English 0545 GMT 29 Nov 85

/Text/ Pyongyang 29 Nov (KCNA)--The Central Committee of the Workers' Party of Korea hosted a reception last evening at the Ongnyu Restaurant for the delegation of the Democratic Party of Thailand headed by its Deputy Leader Snoh Phungjiam on a visit to our country.

Present there were Hwang Chang-yop, secretary of the WPK Central Committee, Kim Chae-pong, vice director of a department of the WPK Central Committee, and other personages concerned.

Hwang Chang-yop and Snoh Phungjiam made speeches at the reception.

Thai Group Presents Gift

SK021037 Pyongyang KCNA in English 1032 GMT 2 Dec 85

/Text/ Pyongyang 2 Dec (KCNA)--Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea, received a gift from the visiting delegation of the Democratic Party of Thailand.

Head of the delegation Snoh Phungjiam, deputy leader of the Democratic Party of Thailand, handed it to an official concerned.

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CSO: 4100/48

N. KOREA/FOREIGN RELATIONS

AFGHAN PARTY DELEGATION RECEIVED

Afghan Party Delegation Arrives

SK291123 Pyongyang KCNA in English 1030 GMT 29 Nov 85

/Text/ Pyongyang 29 Nov (KCNA)--A delegation of the People's Democratic Party of Afghanistan /PDPA/ led by Mahmoud Baryalay, /name as received/ alternate member of the Political Bureau, and secretary, of the Central Committee of the PDPA, arrived here today by air for a visit to Korea upon the invitation of the Central Committee of the Workers' Party of Korea.

It was met at the airport by Hwang Chang-yop, secretary of the WPK Central Committee, Kim Chae-pong, vice director of a department of the WPK Central Committee, and other officials concerned.

Kim Il-song Receives Afghan Party Delegation

SK021052 Pyongyang KCNA in English 1028 GMT 2 Dec 85

/Text/ Pyongyang 2 Dec (KCNA)--The great leader President Kim Il-song today received the delegation of the People's Democratic Party of Afghanistan led by Mahmoud Baryalay, alternate member of the Political Bureau, and secretary, of the Central Committee of the PDPA, on a visit to Korea.

Present on the occasion were Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and Kil Chae-yong, deputy department director of the WPK Central Committee.

The head of the delegation conveyed a personal letter and a gift of babrak karmal from general secretary of the Central Committee of the People's Democratic Party of Afghanistan and president of the revolutionary Council of the Democratic Republic of Afghanistan to President Kim Il-song.

President Kim Il-song expressed thanks for this and conversed with the guests in an amicable and friendly atmosphere.

DPRK, Afghan Party Delegation Talks

SK020606 Pyongyang KCNA in English 0509 GMT 2 Dec 85

/Text/ Pyongyang 2 Dec (KCNA)--Talks were held in Pyongyang on 1 December between the delegation of the Workers' Party of Korea and the delegation of the People's Democratic Party of Afghanistan.

Present at the talks on our side were Hwang Chang-yop, secretary of the WPK Central Committee, Kil Chae-kyong, vice director of a department of the WPK Central Committee, and other personages concerned.

Present on the opposite side were the members of the delegation headed by Mahmoud Baryalay, alternate member of the Political Bureau, and secretary, of the Central Committee of the People's Democratic Party of Afghanistan.

At the talks the two sides exchanged views on the problem of further developing the friendly relations between the two parties and issues of common concern.

The talks proceeded in a friendly atmosphere.

Gift From Afghan Party Delegation

SK021049 Pyongyang KCNA in English 1030 GMT 2 Dec 85

/Text/ Pyongyang 2 Dec (KCNA)--Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea, received a gift from the visiting delegation of the People's Democratic Party of Afghanistan.

The gift was handed to Hwang Chang-yop, secretary of the WPK Central Committee, by head of the delegation Mahmoud Baryalay, alternate member of the Political Bureau, and secretary, of the PDPA Central Committee.

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CSO: 4100/48

N. KOREA/FOREIGN RELATIONS

PYONGYANG REPORTS DPRK FOREIGN MINISTER'S ARRIVAL IN PAKISTAN

SK010153 Pyongyang Domestic Service in Korean 2300 GMT 29 Nov 85

[Text] Vice Premier and Minister of Foreign Affairs Kim Yong-nam and his group arrived in Islamabad on 28 November on a visit to the Islamic Republic of Pakistan.

The Pakistani minister of foreign affairs, the assistant secretary of the Ministry of Foreign Affairs, and other functionaries in related sectors received the minister of foreign affairs and his group at the airport.

Our country's Ambassador to Pakistan Pak Myong-ku and other embassy officials were also present at the airport.

Talks were held between the ministers of foreign affairs of the two countries the same day. The talks were held in a friendly atmosphere.

The minister of foreign affairs and his group were invited to a banquet arranged by the Pakistani minister of foreign affairs in the evening. The ministers of the two countries spoke at this banquet.

Participants in the banquet toasted a long life and good health of the great leader Comrade Kim Il-song; a long life and good health of the dear leader Comrade Kim Chong-il; and a long life and good health of Pakistani President Muhammad Ziaul Haq.

/9599

CSO: 4110/25

## N. KOREA/FOREIGN RELATIONS

### BRIEFS

POLISH GOVERNMENT TRADE DELEGATION--Pyongyang 27 Nov (KCNA)--A government trade delegation of the Polish People's Republic headed by Antoni Karas, vice minister of foreign trade, arrived in Pyongyang on 26 November by air. /Text/  
/Pyongyang KCNA in English 1516 GMT 27 Nov 85 SK/ 12228

INDONESIAN JOURNALISTS GROUP--Pyongyang 3 Dec (KCNA)--Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, on 2 December met and had a conversation in a friendly atmosphere with Supeno Sumarjo, vice chairman of the Indonesian paper MERDEKA, and his party. Present on the occasion were O Mun-han, vice chairman of the Committee for Cultural Relations with Foreign Countries and vice chairman of the Information Committee of the Democratic People's Republic of Korea, and an official of the Indonesian Embassy in Pyongyang. /Text/ /Pyongyang KCNA in English 0501 GMT 3 Dec 85 SK/ 12228

DELEGATION DEPARTS FOR BULGARIA--Pyongyang 4 Dec (KCNA)--A Korean Government delegation headed by Vice Premier An Sung-hak left for Bulgaria today by air to attend the 15th meeting of the Intergovernmental Economic and Scientific-technological Consultative Committee of the Democratic People's Republic of Korea and the Bulgarian People's Republic. It was seen off at the airport by Vice Premier Kim Pok-sin, officials concerned, charge d'affaires ad interim of the Bulgarian Embassy in Pyongyang Angel Kozovski and Soviet Ambassador to Korea Nikolay Shubnikov. /Text/ /Pyongyang KCNA in English 1034 GMT 4 Dec 85 SK/ 12228

CSO: 4100/48

N. KOREA/INTERNATIONAL COMMENTARY

DAILY ON U.S. 'CRIMINAL MOVES' TO BUILD UP NAVY

SK281026 Pyongyang KCNA in English 1009 GMT 28 Nov 85

/Text/ Pyongyang 28 Nov (KCNA)--NODONG SINMUN today comes out with an article on the frantic moves of the U.S. warmaniacs to reinforce their naval force.

The paper says:

According to data published by the U.S. Naval Command, a large number of vessels including the capital ship "Missouri" will be rebuilt or newly built in a few years to come to be assigned to the U.S. Navy.

The U.S. imperialists have several fleets including the seventh and sixth fleets respectively taking charge of the whole area from the Western Pacific to the Indian Ocean and the Mediterranean Sea. Belonging to them are more than 520 vessels of various types including nuclear-powered aircraft carriers, cruisers and destroyers. Their naval force alone numbers hundreds of thousands strong.

With such strong naval force the U.S. imperialists are now working round the clock to reinforce their navy crying about a plan to build a "navy with 600 vessels."

While dreaming of world supremacy the U.S. imperialists have long schemed to turn all the oceans of the world into their "lakes."

The "navy with 600 vessels" plan now stepped up by the U.S. warlikeners proceeds precisely from this scheme.

Secret materials of the U.S. Defense Department on the plan say that the purpose of the naval buildup is firstly to hold military supremacy in the whole world, secondly to cope with emergency cases in the Third World and thirdly to strengthen naval diplomacy (gunboat diplomacy).

Under the aggressive naval buildup plan the U.S. imperialists commissioned the nuclear-powered aircraft carrier "Carl Vinson" and about 50 other vessels and deployed them for action.

They are also replacing weapons of vessels with highly efficient up-to-date ones, while increasing the number of vessels.



They plan to deploy 4,000 "Tomahawks" in about 200 vessels in the 10 years to come and assign more than a half of them to the Pacific Fleet.

At the same time, the U.S. imperialists are arming their naval vessels with nuclear weapons.

They are also replacing carrier-based planes with modern ones to increase their combat power.

They began to replace the deck planes with "F-18" planes from 1983 with a plan to increase their total number to nearly 1,400.

In keeping with the increasing number of fleets the U.S. imperialists are building and expanding their naval bases in the U.S. mainland and different parts of the world.

The United States is turning the San Francisco gulf into a large naval base.

In particular, the U.S. imperialists are building and expanding more naval bases in Japan under the pretext of turning their Pacific Fleet into the main force of the "naval defense."

The naval force and equipment of the U.S. naval base in Sasebo, Japan, continue to be reinforced and expanded.

Sasebo Port will reportedly be used as a U.S. naval operation base and the number of vessels based there will increase to 10 to 15 which is nearly double that at present. /words indistinct/ spurring on the reinforcement of their naval force, one of the main means for overseas aggression, while building hotbeds of a new war in different parts of the world.

Such criminal moves of the U.S. imperialists will aggravate the international situation still further.

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CSO: 4100/48

N. KOREA/INTERNATIONAL COMMENTARY

DAILY DENOUNCES UK NUCLEAR ARMS BUILDUP

SK051051 Pyongyang KCNA in English 1007 GMT 5 Dec 85

/Text/ Pyongyang 5 Dec (KCNA)--NODONG SINMUN today in an article captioned "'Old Lion' With Nuclear Teeth" points out that the British Government is now racing along the road of arms buildup, nuclear arms building in particular, taking advantage of the U.S. imperialists' policy of war, in an attempt to restore its old position.

The military expenditure which amounted to 9,200 million pounds in (1979?) when the Tory took power soared to more than 17,000 million pounds this year and will add up to 18,100 million pounds next year, the paper says, and notes:

The British imperialists direct a greater part of its military appropriations to the development of new-type weapons and increase of nuclear weapons and dispatch aggression forces to major strategic resources areas and stage war exercises, according to the U.S. imperialists' strategy.

Recalling that the British imperialists have of late built a new airfield in the Falkland Islands and are making desperate efforts to maintain their domination over this area and frequently staging war exercises, the paper says:

This is an open threat to the Latin American countries and a criminal act aggravating tension in this area.

While increasing their own nuclear armed forces, the British imperialists leave their territory a nuclear base of the U.S. imperialists.

The Thatcher Tory government plans to cover Britain with U.S. nuclear missiles.

The "old lion" is sharpening his nuclear teeth.

These criminal moves cause uneasiness and apprehensions among broad sections of British people desirous of peace.

The frantic arms buildup of the British imperialists will precipitate their self-destruction.

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END